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## Asian Dragons Take a Bite From the U.S. Trade Deficit

By Patrick L. Smith  
*International Herald Tribune*  
TOKYO—One year after a ballooning U.S. trade deficit helped force a world financial crisis, the newly industrialized countries of Asia are starting to assume an essential role in efforts to bring global commerce back into balance. With currencies rising against the dollar, economies growing rapidly and consumption patterns changing, South Korea, Taiwan, Hong Kong and Singapore have gained enhanced ability to absorb more imports from the United States and redirect their exports to Japan and other nations. Both trends are likely to continue for at least the next several years, U.S. and Asian analysts say, making the four economies a key factor in the reduction of the U.S. deficit in its trade across the Pacific.

— and that is not far off — there won't be any arguing how essential they are to maintaining the U.S. trade account in balance. The pattern that is emerging, economists say, is one of "triangular trade," in which the United States is dramatically increasing its exports to the four nations, while Japanese imports from them are increasing at a similarly high rate. All four of the little dragons, as they are commonly known, are increasing their imports from the United States at annual rates ranging from 41 percent in Singapore to 54 percent in South Korea. Their exports to Japan are increasing at rates close to 50 percent. Until recently, the value of U.S. exports to each of the NICs was small enough to be ignored: Even after a 39 percent increase last year, for instance, U.S. exports to Hong Kong were \$4.1 billion. In 1987, exports to Singapore stood at \$4.8 billion. This year, however, the picture is starting to change. U.S. exports to Hong Kong are expected to reach almost \$5 billion. Exports to Singa-

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## Ex-Captive Begg, 'Let Me Be Silent' About the Others

Mihleshwar Singh, the Indian national freed by kidnappers in Beirut after 20 months, waving outside the Syrian Foreign Ministry in Damascus, where he was released to the U.S. ambassador on Tuesday. He was later flown to West Germany on his way to the United States. He would not discuss the conditions or whereabouts of three university colleagues kidnapped with him. Page 6.

## Soviets Order Farm Shake-Up

Politburo Also Creates a New Newspaper and Journal

By Philip Taubman  
*New York Times Service*  
MOSCOW — The Politburo, meeting on Tuesday for the first time since the leadership shake-up last week, ordered an overhaul of Soviet agriculture and approved creation of a new party journal and government newspaper. The Tass press agency, in a brief account of the meeting, reported that the Politburo instructed party and government agencies to "draw up proposals for an overhaul of economic relations and economic management in the country's agro-industrial sector."

## Saudi Warning Hits Oil Market; Analysts Bearish On Price Trend

Compiled by Our Staff From Dispatches  
NEW YORK — Oil prices steadied late Tuesday after falling in Europe following Saudi Arabia's warning to OPEC partners that they must obey the cartel's production rules or watch the market slide. But analysts warned that the outlook for prices remained negative. "We're still in a bear market," said Jim Fiedler, a trader with E.D. & F. Man International Futures Inc. "The market was expecting a rally of up to the \$13.70 level and they haven't been able to get it." The November contract for West Texas Intermediate, the benchmark U.S. crude, rose 1 cent to \$13.07 a barrel on the New York Mercantile Exchange. In London earlier, North Sea Brent, the most widely traded crude oil, slipped to \$11.60 a barrel for prompt delivery, from \$11.65 on Monday. Dubai grade for November lifting dropped to \$9.60 a barrel from \$9.65.

— The main thing goes back to the concerns about the Saudi overproduction," Mr. Fiedler said. (UPI, Reuters)

## Saudis Take Tough Stand

Youssef M. Ibrahim of the New York Times reported from Paris: In the toughest statement about oil policy it has issued in years, Saudi Arabia challenged Iran, Iraq and other OPEC producers to either restrain their runaway oil production or face financial ruin. The statement served notice that Saudi Arabia would no longer allow other oil producers to increase their oil output with impunity, in the expectation that they can encroach on the Saudi share of the world market. The Saudis said they would now join others in boosting oil output, a move that guarantees a further fall in oil prices. "Saudi Arabia will not accept that any members of OPEC increase their oil production share at its own expense," said the statement, "nor will it allow other oil producers to pin its oil production down where it is now while they increase their own. This swing producer role is one we do not wish to resume."

The statement was issued Monday after a late session of the Saudi Council of Ministers, chaired by King Fahd. Although many Gulf region crudes are already trading at close to, or below \$10 a barrel, Saudi officials said they will not be restrained by the clear risk that their new policy may very well push oil prices below 1986 levels. In the summer of that year, oil prices collapsed to around \$8 a barrel. Prices have fallen \$1.50 this past week alone. Saudi officials, who asked not to be identified, said they had repeatedly warned against overproduction by others at their expense and explained their views in great detail during the last three meetings of OPEC oil ministers that took place since June, to no avail. OPEC output stands at some 3 million barrels a day above the official production ceiling of around 17 million barrels a day. Average prices have fallen by more than 35 percent from their levels of a year ago. The Saudi Council of Ministers See OIL, Page 17

## U.K. Orders Kuwait to Halve Its Stake in BP

By Warren Getler  
*International Herald Tribune*

LONDON — Britain ordered Kuwait on Tuesday to cut its \$5 billion holding in British Petroleum PLC by more than half within 12 months, in one of the world's largest forced divestitures. In a landmark decision, the Department of Trade and Industry found the size of the Kuwaiti interest in BP to be "against the national interest." The department ordered that the state-owned Kuwait Investment Office pare its interest to 9.9 percent from 21.6 percent through the disposal of about 700 million shares. The decision drew an angry response from Kuwait, particularly because it comes at a time when world oil prices are at their weakest levels in years. It also stunned analysts, who had not expected Britain to order such a large reduction. The price of BP stock fell half a penny to 237 pence (\$4.03) in London trading Tuesday. Kuwait, a major oil producer within the Organization of Petroleum Exporting Countries, is a long-term ally of Britain and one of the world's preeminent institutional investors, with a global portfolio estimated to be about \$80 billion. The Gulf state began to amass a major holding in BP last November, when the British government's sale of its remaining stake in the company flopped in a public offering soon after the October stock market collapse. Without the intervention by Kuwait at that time, the British government's £7.2 billion issue would have fallen flat. Kuwait has insisted all along that its investment in BP is purely passive, contending that it does not aim to influence corporate policy. After the government probe of its BP holding began, it offered to restrict its voting rights to 14.9 percent and not to raise its stake beyond 21.6 percent, but those pledges were rejected by Trade Secretary Lord Young of Britain. Details of a report by Britain's Mergers and Monopolies Commission, upon which the trade department based its decision, were released Tuesday. The report said Kuwait could seek to curtail BP's exploration and development spending. That was one of the concerns voiced by BP in recent months as it lobbied the government to reduce Kuwait's stake. The report also suggested that a future Kuwaiti government might be less friendly toward Britain than the current one. "We expect Kuwait in the long term to exercise influence over the policies and to restrict BP from acting independently and competitively," the report said. Under the ruling Tuesday, Britain will seek to limit Kuwait's voting rights to 9.9 percent of BP's shares until the divestment is completed. BP, which warmly welcomed the government decision Tuesday, said several times in recent months that it would like individual stakes in the company limited to 10 percent each. Among BP's chief concerns about the large stake held by Kuwait is the possibility that it would convey an impression that the giant energy group is controlled by a leading oil producer. BP also feared that Kuwait Petroleum Corp., the Gulf state's big exploring and refining group, might try to pressure BP into refining and marketing joint-ventures in Europe as part of its drive to gain market share in "downstream" oil operations. The Kuwait Investment Office, See BP, Page 13

## Klosk Johnson Vows To Run Again

TORONTO (Reuters) — Ben Johnson, declaring his innocence in a drug scandal that cost him an Olympic gold medal, vowed Tuesday to clear his name and run again in the Olympics. "I have never, ever, knowingly taken illegal drugs," the 26-year-old sprinter said at a press conference. He was stripped of his medal at the Seoul Games after testing positive for using steroids.

## 4 Die in Soviet Blast

MOSCOW (Reuters) — Four people were killed and 280 were injured Tuesday when a train carrying explosives crashed into another freight train and blew up in the city of Sverdlovsk, Tass said.



Slobodan Milosevic, the Serbian leader, addressing protesters outside the Yugoslav parliament in Belgrade on Tuesday. The protesters demanded that the government resign. Page 2.

## Opposition Aide Warns Of Trickery by Pinochet

By Shirley Christian  
*New York Times Service*  
SANTIAGO — As workers cleaned up the political leaflets that covered Santiago like snow, an opposition leader warned that agents of President Augusto Pinochet were looking for a way to interfere with the Chilean plebiscite Wednesday. The opposition leader, Ricardo Lagos, a Socialist and a leader of the 16-party Command for the No, asserted that Pinochet supporters would use such things as power blackouts and clashes with the opposition to delay the compilation of results. But he said Monday that he had no information that the government was thinking of calling off the vote. [The military government late Monday dismissed accusations that it planned to scrap or sabotage the plebiscite as part of a "campaign of misinformation," Reuters reported.] After 15 years of military rule under General Pinochet, 7.4 million registered voters are casting ballots Wednesday to decide whether or not he should continue in power. In the plebiscite, designed at General Pinochet's direction as part of a slow transition to democracy, people will vote yes or no on giving him eight more years in power, after which he would call open elections. If he fails to get a majority on Wednesday, he is supposed to call free elections at the end of 1989. The opposition is confident of a big victory in the plebiscite, if it proceeds as scheduled and if the vote-count is honest. In anticipation of a "no" victory, Mr. Lagos said that "the only person defeated will be General Pinochet" and made a conciliatory appeal to the rest of the armed forces. "The armed forces and police are permanent institutions of the republic and with them we will look for concordance for a rapid, order-

See CHILE, Page 6

## Behind Bush, a Strategy of Control and a Man Named Baker



Mr. Bush listens to his longtime friend, adviser and campaign director, James A. Baker 3d.

By David Hoffman  
*Washington Post Service*  
WASHINGTON — Fifty minutes into the first presidential debate, George Bush's campaign chairman, James A. Baker 3d, ordered one of his deputies to place a telephone call with an urgent message for the debate moderator, Jim Lehrer. The message was this: You promised the debate would be divided evenly between domestic and foreign policy. When do we get to foreign policy? Within 10 minutes, the 90-minute debate shifted onto the terrain the Republicans believed would be friendlier for their nominee. In fact, Mr. Lehrer was about to shift to foreign policy questions anyhow. But the effort to influence Mr. Lehrer illustrates the central element of the Bush campaign's strategy against Governor Michael S. Dukakis of Massachusetts, the Democratic nominee — to control, if possible, every minute the voters get to see and hear Mr. Bush. To accomplish it, the campaign has borrowed techniques, themes and prayers from every presidential contest since 1968. Directing it all is Mr. Baker, the former Treasury secretary whose trademark is disciplined political management. He is applying to Mr. Bush's campaign virtually the same techniques he displayed as White House chief of staff in President Ronald Reagan's first term and during the 1984 re-election campaign. Those techniques include one calculated message a day, constant devotion to well-executed tactics, aggressive efforts to avoid outside distractions and courtship of the news media. Mr. Baker's style was on display at the Sept. 25 debate. Minutes after it ended, Mr. Baker had coordinated instructions with his aides on the scene to emphasize with reporters that Mr. Bush had succeeded in his goal of labeling Mr. Dukakis a liberal. That message was then telephoned to the Republican National Committee in Washington, where a team stood ready to telefax the message to Republican governors and state party chairmen. Next, sitting down for an interview with the ABC News anchor, Peter Jennings, who was on the press panel that quizzed the candidates, Mr. Baker complimented Mr. Jennings on his questions. Critics say Mr. Baker's political management style can be shortsighted — that Mr. Reagan won a landslide in 1984 using evocative symbols of patriotism and skilled media methods but failed to gain a mandate for what he wanted to accomplish in a second term. Mr. Bush has incorporated many of the symbols Mr. Reagan has used, with his emphasis on the Pledge of Allegiance to the flag and his visit Monday to greet the shuttle astronauts upon their return. But Mr. Baker rejects the criticism leveled at the campaign that Mr. Bush is avoiding fundamental campaign issues. "I would say the suggestion that See BAKER, Page 6

## Ruins on the Golan Heights: Where Destinies of Jew and Arab Collide

By Alan Cowell  
*New York Times Service*  
QUNETRA, Syria — Lieutenant Khaled Natar, a Syrian Army officer, lowered his Soviet-made binoculars and gestured beyond his country's borders. "We do not have a name for the other side," he said with a hint of wry humor about this region's taboos and impenetrabilities. "If they are a country or a people, we don't know it." Even without the field glasses, from this place where the destinies of Jew and Arab collide, a sign is visible just beyond the last United Nations checkpoint: "Welcome to Israel." This is a broken city, on the border between Syria and the Israeli-occupied part of the Golan Heights. Depending on the perspective, the Israeli billboard is either a statement of fact, since Israel

annexed parts of the heights in 1981, or a denial of history, because Syria wants it back. Either way, Qunetra stands out. For Syria it is a symbol of relentless Israeli expansion and of an affront that must one day be righted. "The main point for the Syrians," a West European diplomat in Damascus said, "is that they want the Golan back. So, they'll play very tough in any Middle East negotiations. And as long as the Golan is occupied, it guarantees the Syrians a role in the whole issue." Syria lost much of the strategic heights to Israel in the wars of 1967 and 1973, and Qunetra, only 40 miles (64 kilometers) from Damascus, remained under Israeli occupation until 1974, when a disengagement agreement brokered by the United States handed two-thirds of it back to Syria. On June 26, 1974, President Hafez Assad

raised Syria's flag over the city again, and the date is known as Qunetra's Day of Liberation. It was a bitter-sweet occasion, for in the 10 days before their departure, the Israelis dynamited every building that had survived the military campaigns in the area. Since then, not a brick has been rebuilt. "The other side, they bring tourists to their side," Lieutenant Natar said. "We hear them saying, 'Look what we have done, and see what they have done — nothing.'"

He pointed to an Israeli agricultural settlement where a tractor fussed below a once-disputed hill whose bald dome now boasts a shock of antennas and listening devices aimed toward Syria. "We hear them saying: 'Look, we are growing things. They are doing nothing,'" Lieutenant Natar said.

Such point-scoring might seem a minor matter, but other weighty thoughts intrude on these high plains whose soaring peaks offer a geography of confrontation — Israelis on one, Syrians on another, UN forces in between. Since 1973, Syria has pursued strategic parity with Israel, building a debt to the Soviet Union, according to Western estimates, of \$13 billion to \$17 billion for arms to match those Israel has obtained from the United States. This has led some Israeli military specialists to suggest that another confrontation may be inevitable. Another has not developed, but by some Western accounts the relationship between Syria and the Soviet Union has become uneasy, in part because of Mr. Assad's feelings about this town and the land around it. "The Soviets would like the Syrians to be more

flexible on the Golan so that they have something to sell" in the talking and trading of the perennial quest for a Middle East peace, said a Western diplomat in Damascus. "The Russians are not really getting anything from the Syrians," the diplomat said. That touches on another debate, this time between U.S. officials in Damascus and Washington. Recent reports from Washington have said that Syria has agreed to let the Soviet Union undertake a major expansion of naval installations at Tartus on the Mediterranean. Officials in Damascus have accused the embassy in Damascus of failing to keep them informed about the purported expansion. It is not clear who is right. "There really is nothing up there," a Western official in Damascus said. "It's not big enough to do anything."

BP, which warmly welcomed the government decision Tuesday, said several times in recent months that it would like individual stakes in the company limited to 10 percent each. Among BP's chief concerns about the large stake held by Kuwait is the possibility that it would convey an impression that the giant energy group is controlled by a leading oil producer. BP also feared that Kuwait Petroleum Corp., the Gulf state's big exploring and refining group, might try to pressure BP into refining and marketing joint-ventures in Europe as part of its drive to gain market share in "downstream" oil operations. The Kuwait Investment Office, See BP, Page 13

# 5,000 Protest at Yugoslav Parliament

*The Associated Press*  
**BELGRADE**—Some 5,000 Yugoslav workers demonstrated in front of the federal parliament on Tuesday, demanding the resignation of the government of Prime Minister Branko Mikulic.

The protesters tried to force their way inside the parliament, but were held back by policemen who linked arms in front of the building's main entrance.

The protesters marched about 15 kilometers (9 miles) from an industrial Belgrade suburb to parliament to protest low wages and falling living standards.

They dispersed peacefully only after they were addressed by Slobodan Milosevic, the Serbian leader hailed by supporters as "the second Tito."

**2 Politburo Members Quit**  
*Henry Kamm of The New York Times reported earlier from Belgrade.*

The shock waves of ethnic conflict between Serbs and Albanians in southern Yugoslavia reached the top of the Communist leadership last week when two Politburo members resigned.

Diplomats and journalists specializing in Communist affairs could not recall a precedent for the resignation of a Politburo member of a ruling Communist Party in public protest against party policies.

The resignations of the Politburo members, Franc Setinc and Bosko Krunic, coincide with a wave of demonstrations against the dominance of Albanians in Kosovo Province, nominally an autonomous part of the Serbian Republic.

The atmosphere in Kosovo these days is one of sullen mistrust, and there are credible reports that both sides have arms at the ready.

Marko Lolic, executive secretary of the Communist Party presidency in charge of agitation and propaganda, praised Mr. Setinc and called his resignation "an act of morality."

He depicted the Kosovo dispute as largely an issue of underdevelopment and misused aid.

"Yugoslavia has given enormous resources to Kosovo," Mr. Lolic said. "They went to top people who used them arbitrarily. Pristina is full of grand hotels, banks, buildings far beyond Kosovo's needs."

According to a statement read by one of their leaders, the protesters also demanded "an urgent session of the parliament, which should unseat the government of Premier Branko Mikulic."

Hundreds of policemen sealed off a downtown area in front of the parliament building.

Yugoslavia has been faced with increasing social and labor unrest in the face of the worst economic crisis in the country's post-war his-

tory, including 217 percent inflation and a \$21 billion foreign debt.

Throughout Yugoslavia, Pristina, the provincial capital, is regarded as a town of architectural megalomania amid pervasive poverty.

More shoe-shine men sit at the foot of sumptuous but neglected and rapidly decaying buildings than there will ever be customers, and beggars abound. Of Kosovo's work force, 240,000 are employed and 130,000 jobless.

But despite the economic woes, most Yugoslavs as well as foreign diplomats view the tension as stemming less from material sources than from the psychological wound of ethnic fear, and therefore even more explosive and less susceptible to settlement.

In his letter of resignation, Mr. Setinc said he was stepping down from the party's top body to sound an alarm.

He wrote: "This is a warning — if it can be heard above the general clamor — that the last hour has come for us to come to our senses and rid ourselves of harmful emotions and passions, varied nationalistic and dogmatic legends and follow the voice of reason and progress."

No such voice was heard in conversations with Serbians and Albanians during a four-day visit to Kosovo in September. Serbians for

the most part echoed the passionate language of the rallies, which began in July.

Serbian and Montenegrin, Slavic peoples that number about 200,000 among 1.7 million ethnic Albanians, assert that since a mass Albanian uprising in 1981 they have become targets of Albanian terror intended to drive them out of the province.

The ultimate goal of the Albanians, whose heritage is Moslem, is said to be to incorporate Kosovo into Albania.

Since 1981, about 30,000 Slavs are estimated to have abandoned Kosovo, which looms large in Serbian national history. It is a significant center of medieval Slavic culture and the Serbian Orthodox faith.

Charges of rapes of Slavic women by Albanians dominate Serbian conversations. Other allegations include murder, assault, arson, destruction of crops and cattle and terrorism through threats.

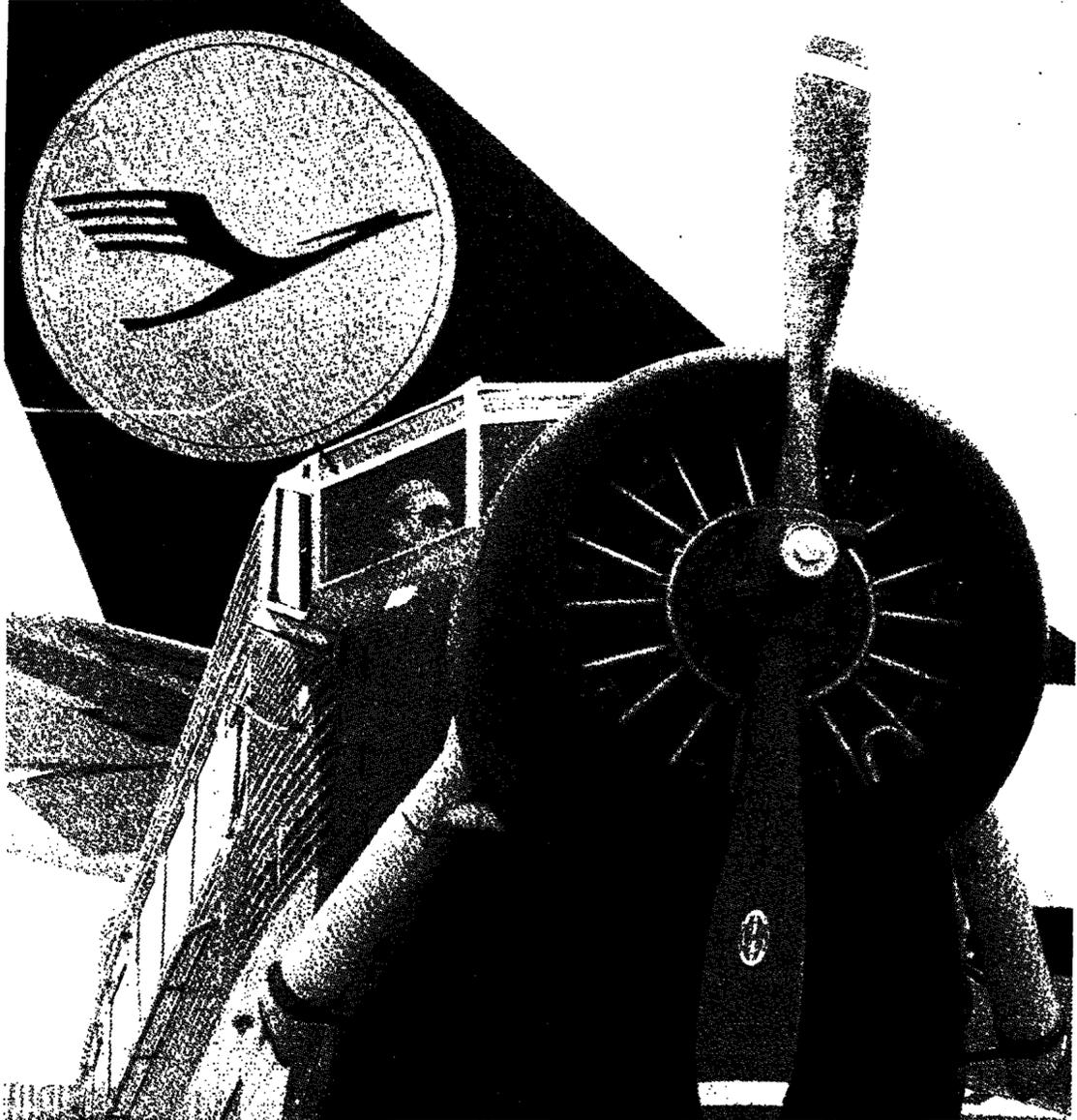
The word genocide is frequently used, only occasionally qualified by the adjective cultural. Since 1981, the number of villages inhabited solely by Albanians is said to have risen from 606 to 700.

Crimes have occurred, Yugoslavs and diplomats agree. How widespread they are, and the extent of any retribution, is a matter of dispute.



Yugoslav workers outside the parliament in Belgrade on Tuesday demanding higher wages and the resignation of the government.

## Aviation history and Lufthansa grew up together.



 **Lufthansa**

### WORLD BRIEFS

#### Exiling of Solzhenitsyn Is Challenged

**MOSCOW (AP)**—The Union of Filmmakers of the Soviet Union said Tuesday that it had asked the government to review the legality of the 1974 deportation of Alexander I. Solzhenitsyn, the Nobel prize-winning author.

Mr. Solzhenitsyn was deported and stripped of his citizenship after publication in the West of his three-volume study of the Soviet system of political prisons, "Gulag Archipelago." The union's request for reconsideration of Mr. Solzhenitsyn's exile is based strictly on legal grounds, said Arkadi Vaksberg, a prominent lawyer and writer.

He was exiled "contrary to his will" and "without giving him the opportunity to defend himself," said Mr. Vaksberg. The filmmakers' union is seeking a response from the Presidium of the Supreme Soviet by Mr. Solzhenitsyn's 70th birthday, Dec. 11.

#### Major Quake Seen Likely in U.S. East

**WASHINGTON (AP)**—A major earthquake is nearly certain to strike the eastern two-thirds of the United States in the next 20 years, threatening havoc in a region unprepared for such a disaster, the head of the National Center for Earthquake Engineering Research at the State University of New York at Buffalo said here Tuesday.

Robert L. Ketter declined to pin down a location, but he said likely sites included the areas of Memphis, Tennessee, Charleston, South Carolina, Boston, Salt Lake City and New York City. The probability of a destructive quake occurring at any particular spot is low, he said.

"However, the probability of one occurring somewhere in the eastern United States before the year 2000 can be considered better than 75 percent to 95 percent. Before the year 2010, nearly 100 percent," he told a symposium on quakes. He noted that, unlike California, the U.S. East has paid little attention to the danger.

#### U.S. Balks at Unveiling Stealth Jet

**WASHINGTON (AP)**—The Defense Department decided at the last moment Tuesday to cancel the official introduction of its Stealth jet fighter, forcing a senator to cancel a news conference and the Pentagon's spokesman to reassert official secrecy over the radar-evading plane.

Doug Fuller, a spokesman for Senator Chic Hecht, Republican of Nevada, said the senator had planned to discuss the Stealth fighter program with reporters Tuesday after the Pentagon unveiled the plane. According to Pentagon informants, the more than 50 Stealth fighters built for the air force are based at a tightly guarded facility in Nevada. The plane, known as the F-19 by industry officials, uses special designs and composite materials that evade detection by radar and other sensors.

Dan Howard, the Pentagon's chief spokesman, would not acknowledge that the department had been close to releasing information on the jet, nor would he explain why a public disclosure had been canceled, or confirm that there is a Stealth fighter.

#### Terrorists Slay Madrid Policeman

**MADRID (UPI)**—Leftist guerrillas shot and killed a policeman at a crowded government office Tuesday in the first fatal terrorist attack in the capital in nearly 17 months, authorities said.

One of the assailants fired point-blank at the policeman's head and shot him a second time as he lay on the floor. Police said the victim, Bernardino Ortega, 47, died instantly. The two other attackers, one of them a woman, then opened fire to force their way through a crowd waiting to renew identity cards. A second policeman was slightly wounded. Witnesses said the assailants picked up a pile of blank identity cards before fleeing.

State security officials identified the three as members of the leftist urban guerrilla movement known as GRAPO—the Spanish acronym for October 1 Anti-Fascist Resistance Groups.

#### Cuban Dissident Will Go Into Exile

**HAVANA (AFP)**—Ricardo Bofill, one of Cuba's best known dissidents and human rights activists, said Tuesday that he would be allowed to leave the country this week for West Germany but would not be permitted to return.

Mr. Bofill, founder and president of the banned Cuban Committee for Human Rights, said he would leave Havana on Wednesday for Madrid before traveling on to Frankfurt. After undergoing medical treatment in Frankfurt, Mr. Bofill said, he will remain there to work for the International Human Rights Society. He said that he desired to return to his homeland but that Cuban officials would grant him only a one-way visa.

Mr. Bofill announced in July that he and other Cuban dissidents would try to form a political party. President Fidel Castro, however, issued a strong warning against any new parties.

#### For the Record

More than 245 million people now live in the United States, the Census Bureau said Tuesday, a total pushed upward by the combination of continued strong immigration and an increase in the natural growth of the population. As of Jan. 1, the total was 245,110,000 people, up from 242,825,000 a year earlier. (AP)

Two bombs exploded Tuesday in the ethnically troubled Alto Adige region, damaging windows and cars and demolishing a railroad pylon. Italian police said in Bolzano. No injuries were reported. Responsibility was claimed by a German-speaking extremist group, Ein Tyrol (One Tyrol), that is seeking to reunite the region with Austria. (AP)

### TRAVEL UPDATE

#### Albania Tours Offered by U.K. Firm

**LONDON (AP)**—A London travel agency announced Tuesday it will run the first regular charter flights from Britain to Albania.

Voyages Jules Verne, which specializes in exotic vacations, said it would begin twice weekly flights on Friday to Tirana, the capital. The Balkan country, among the most politically isolated in the world, has opened up slightly since the death in 1985 Enver Hoxha, founder of its Communist system.

The agency is offering a three-night Albanian weekend, including airfare, hotels and meals for £195 (\$330) and a full week from £259. Visas Fridays with British Island Airways, a local charter line.

About 500,000 people die on the world's highways each year and by the turn of the century, a million lives will be lost annually, according to a study released Monday by the Highway Safety Research Center at the University of North Carolina in Chapel Hill. Injuries requiring hospitalization also will double to 5 million by the 2000, and all injuries will increase to 30 million, the report said. (UPI)

Brazil says it will start checking domestic airline passengers for weapons, following a hijacking last week in which a co-pilot was slain. Officials said passengers would be screened by metal detectors and baggage would be x-rayed or inspected by hand. (Reuters)

# Republicans Are Fading in Senate Races

By David E. Rosenbaum  
*New York Times Service*

WASHINGTON — As the election campaigns across the United States this fall have heated up, Republican chances of regaining control of the Senate seem to have become more remote.

Several Democratic senators who seemed vulnerable earlier in the year have solidified their positions, and at this stage of the campaign all 15 Democratic incumbents are running for reelection seen to be ahead, most of them by solid margins.

Meanwhile, 2 Republican senators, Chic Hocht of Nevada and David K. Barnes of Nebraska, are believed to be trailing their Democratic challengers, and several of the 10 other Republicans up for reelection are in uncomfortably close races.

These assessments are based on interviews with politicians, political strategists and independent analysts here and in the various states. The consensus is that the Democrats, who now hold a seat advantage of 54 to 46, are more likely to gain seats in November than to lose them.

However, Senate races are difficult to handicap with confidence. Few analysts, for instance, predicted the 12-seat Republican gain in 1980 or forecast that the Democrats would pick up 8 seats in 1986. With more than five weeks to go before Election Day, races that now seem one-sided could tighten up, and one candidate or another could pull away in contests that now appear to be close.

"It's a long time out yet, and the issues are just now being joined," said Senator Rudy Boschwitz of Minnesota, chairman of the National Republican Senatorial Committee.

Nonetheless, the long odds the Republicans face can be seen by analyzing the 33 Senate races state by state.

Thirty-six Democratic senators and 31 Republicans are not up for election this year. Eighteen seats held by Democrats are being contested, as are 15 held by Republicans.

Democrats seem sure to pick up a seat in Virginia. Paul S. Trible Jr., a Republican, is retiring, and former Governor Charles S. Robb, a Democrat, is expected to be elected in a landslide.

For Republicans to win back the control of the Senate they lost in the 1986 election, they would have to keep all their seats that are at stake except the one in Virginia and win five seats now held by Democrats.

This is the case no matter who becomes the vice president, who, as presiding officer, casts tie-breaking votes in the Senate.

If Senator Dan Quayle of Indiana is elected vice president, a Republican will be appointed by Governor Robert D. Orr to replace him, and Mr. Quayle would break a 50-50 tie in favor of Republicans. If Senator Lloyd Bentsen of Texas becomes vice president, Governor Bill Clements will appoint a Republican, which will give Republicans an additional seat.

Democratic and Republican strategists agree that 10 Democratic senators and 4 Republicans are not threatened at all.

The Democrats are Mr. Bentsen, who is running again for the Senate as well as for vice president, Robert C. Byrd of West Virginia, Dennis DeConcini of Arizona, Edward M. Kennedy of Massachusetts, Spark M. Matsunaga of Hawaii, George J. Mitchell of Maine, Daniel Patrick Moynihan of New York, Donald W. Riegle Jr. of Michigan, Paul S. Sarbanes of Maryland and Jim Sasser of Tennessee.

The Republicans are John C. Danforth of Missouri, Orrin G. Hatch of Utah, John Heinz of Pennsylvania and Richard G. Lugar of Indiana.

Here, then, is what the Republicans must do to win a majority: • Hold the seats in Nebraska

and Nevada, where the Republican senators appear to be behind their challengers.

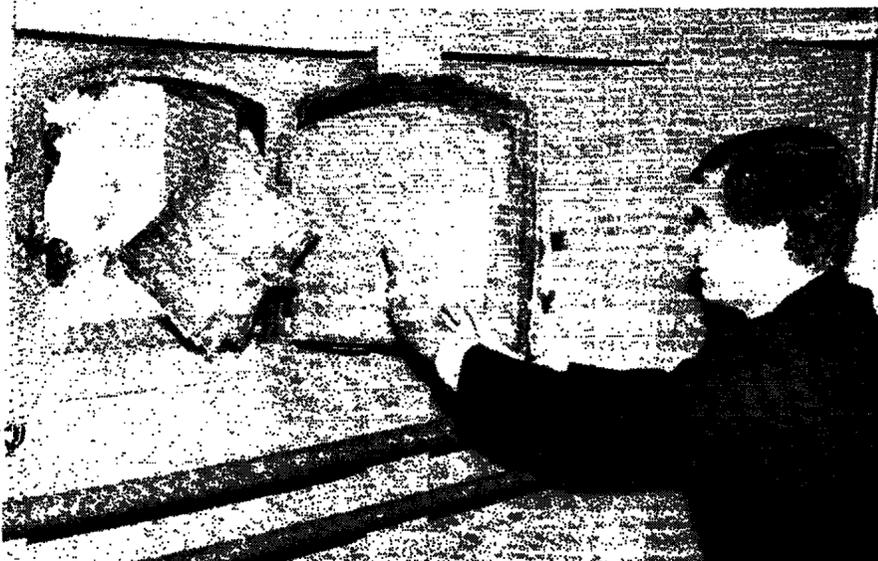
• Hold seats in California, Connecticut, Delaware, Minnesota, Rhode Island and Wyoming, where Democratic challengers are within striking distance of Republican incumbents. Democrats believe they have at least an even chance to win in Minnesota, and the Republicans' position in California and Rhode Island is only slightly less shaky.

• Win the five seats other than Virginia where no incumbent is running. In Vermont, Rep. James M. Jeffords, a Republican, is said to be comfortably ahead. The contests in the other four states — Florida, Mississippi, Washington and Wisconsin — are toss-ups at this stage, with the Republicans

seemingly slightly stronger in Florida than in the other three.

• Win upset victories over Democratic senators in at least two of the following states: Montana, New Jersey, New Mexico, North Dakota and Ohio. Earlier in the year, all these seats seemed ripe for Republicans, but the challengers have not fared as well as party leaders hoped.

Tom Mason, communications director for the National Republican Senatorial Committee, framed the contests slightly differently. He maintained that to win control of the Senate his party would need to win three of the five states he calls the "M and N states": Montana, Nebraska, New Mexico, Nevada and North Dakota. He acknowledged that Republican candidates were now behind in all five.



Governor Michael S. Dukakis leaving contraband drugs into an incinerator in Detroit to emphasize his position on illegal drugs.

## THE HUSTINGS

### Dukakis Calls Bush a Failed Official

EVANSTON, Illinois (AP) — Governor Michael S. Dukakis said Tuesday that Vice President George Bush had failed every assignment in office and that American business had suffered as a result.

"We cannot build a strong and vibrant economic future for America on a mountain of debt, and the American business community knows that," Mr. Dukakis, the Democratic nominee for president, said in a speech at Northwestern University.

Mr. Dukakis said Mr. Bush had failed his assignments on promoting U.S. sales in Japan, reforming regulated sectors of the economy, blocking the entry of drugs to the United States, curbing international terrorism and reforming the nation's banking system.

"Mr. Bush was given five important missions by this administration and he failed every one," Mr. Dukakis said.

### Democrats Aim for War-Chest Parity

BOSTON (Reuters) — For the first time since 1974, when Congress imposed spending ceilings for presidential elections, the Democratic Party is mounting a serious challenge to the Republican fundraising dynasty.

Robert Farmer, the chief fundraiser for Governor Michael S. Dukakis, says he aims to raise \$50 million for the Democrats, and the usually prosperous Republicans have vowed to match their rivals dollar for dollar.

"We are making history — this is the first time we've even come close to the Republicans," Kristen Demong, the Democrats' chief of financial operations said this week.

### For the Debate, a No-Win Situation

WASHINGTON (NYT) — All those "highly informed" television reporters are torn with grief. All those eager campaign analysts, all those expert columnists covering the political campaigns, all those political consultants who appear with the network anchors — all are deeply distressed.

The reason: word that the vice-presidential debate on the major television networks Wednesday night will be followed immediately by regular programs, with no political discussion.

So there will not be the normal half-hour "spin" by all the experts who tell the unalighted viewers who won and who lost.

## U.S. Agency Says It Hid Nuclear Plant Incidents

By Keith Schneider  
*New York Times Service*

WASHINGTON — The Department of Energy said it was responsible, along with its predecessor, the Atomic Energy Commission, for keeping secret from the public a number of serious reactor accidents that occurred over a 28-year period at the Savannah River plant in South Carolina.

The Energy Department on Monday exonerated E.I. du Pont de Nemours & Co., the operator of the enormous nuclear plant, from responsibility, saying the company had fulfilled its obligation to notify the government about the incidents.

The department spokesman, C. Anson Franklin, said Du Pont had notified the regional office in Aiken, South Carolina, near where the plant is situated, but the information apparently never made its way to the secretary of energy or his deputies in Washington.

Moreover, a memorandum written in 1985 by a Du Pont scientist to his superiors summarizing 30 "reactor incidents of greatest significance" at the federal nuclear weapons plant, which included the melting of fuel and extensive radioactive contamination, was never acted on.

The Energy Department said it was seeking to determine why

nothing was done about the memorandum.

The department said the failure to disclose the problems illustrated a deeply rooted institutional practice, dating from the days of the Manhattan Project in 1942, which regarded outside disclosure of any incident at a nuclear weapons production plant as harmful to national security.

Lawmakers and managers at the Energy Department said Monday that the agency was torn by conflicting views of what sorts of events at the plant should be made available to the public.

The conflict is dividing Secretary of Energy John S. Herrington, an advocate of more stringent safety procedures and public candor, and many of the agency's managers stationed at field offices near the 17 laboratories and production facilities that make up the weapons production complex.

### Warsaw Pact Nations Meet

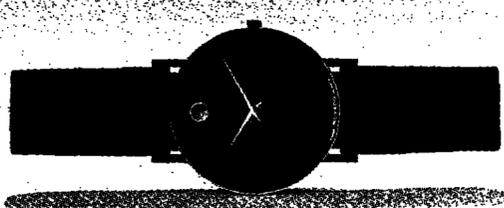
BUDAPEST — A regular session of the military council of the Warsaw Pact armed forces attended by delegations from the Soviet Union and the other six member countries opened Monday, the official MTI news agency said.

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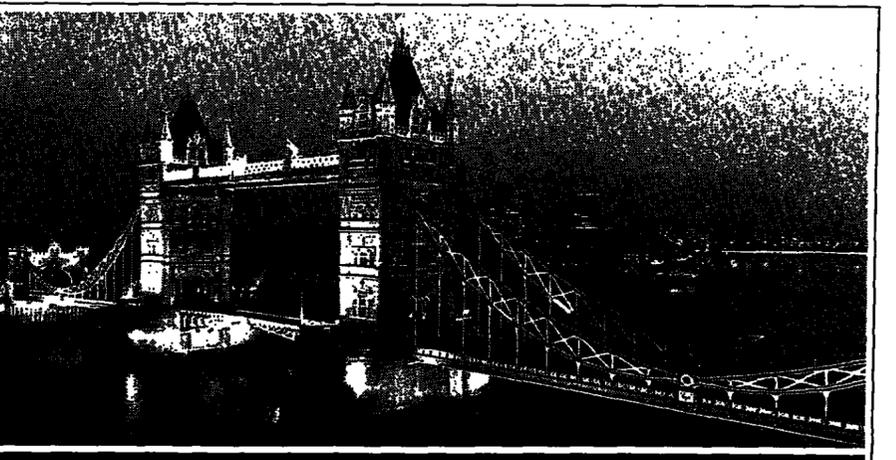
The Movado® Sapphire Museum® Watch: A futuristic interpretation of a classic in modern design. Stark, sleek, ultra-black and high-tech in appearance and actuality.

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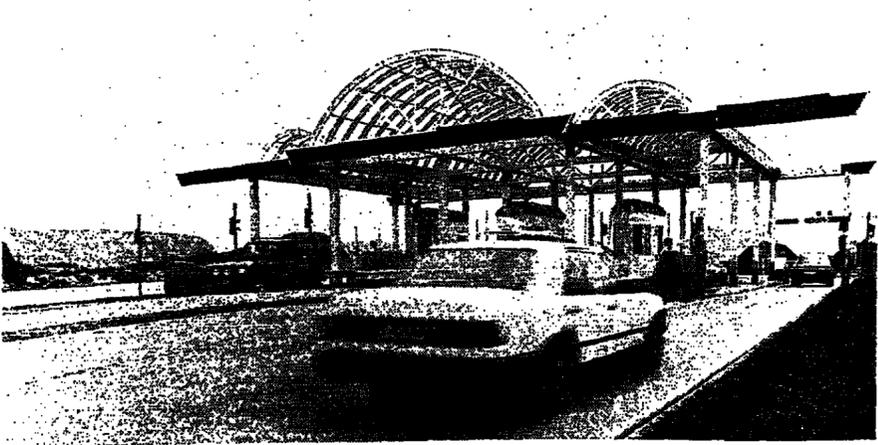
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**For over ninety years London's Tower Bridge has been a major daytime attraction.**

► But since May 1988, a specially designed and discreetly sited floodlighting system from Philips has been highlighting the entire bridge from bank to bank and creating a spectacular 3-D modelling effect on the drawbridge towers. So now the Gothic beauty of this famous Gateway to London can also be admired during hours of darkness. ► The historic Westminster Bridge and the adjoining Houses of Parliament, as well as the new Thames Barrier that protects London against the threat of tidal flooding, are also highlights of Philips leadership in lighting. ►►► Yet lighting for bridges and barriers is only one aspect of Philips technology. ► For example, we supplied Europe's first fully-automatic vehicle tolling,



## PHILIPS PUTS TECHNOLOGY ACROSS BRIDGES AND THROUGH TUNNELS.



billing and control system for the Ålesund-Ellingsøy-Valderøy-Giske cross-fjord tunnels in Norway. ► We are responsible for design, supply, installation and commissioning of the technical systems for Hong Kong's Route 5 Tunnel Project. ► In the U.K., our advanced video systems are used for traffic surveillance along busy stretches of the M4, M8, M25 and Midland Link motorways. ► And in Singapore, we were awarded a S\$ 50.2 million turnkey contract for the mechanical, electrical, electronic and communication systems of the new Central Expressway that will run through and under the heart of the city. ►►► Across bridges, through tunnels and along highways the world over, you can rely on Philips technology to make your journey very much safer and far more efficient.

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# PHILIPS

INTERNATIONAL Herald Tribune

Honor to Peacekeepers

The award of a Nobel Peace Prize to the far-flung UN peacekeeping forces is almost everyone's idea of the way these things ought to be done.

Let 100 Sports Bloom

South Korea deserves Olympic honors for staging a glorious global spectacular—the first trouble-free Summer Olympics since 1964.

MAGNET Chicago Tribune



Mr. Conservative Shows the Candidates the Way

WASHINGTON—With a sense of timing far better than he could have calculated, Barry Goldwater this month publishes his autobiography.

With Help, Haiti Can Still Engineer a Democracy

WASHINGTON—There was great hope for democratic reform in Haiti when Jean-Claude Duvalier was driven into exile in February 1986.

OPINION

Defense: Dukakis Can't Have It Both Ways

NEW YORK—Anyone of voting age knows enough to take for granted that when he listens to campaign oratory he will get a characteristically and intentionally debased form of discourse.

Other Comment

A Thaw Between Two Giants Beijing and Moscow are beginning to move closer in their thinking. While their national interests continue to command priority, they share the view that they would be better off if the tension between them were reduced.



American Intervention Would Be Folly

AS Haiti lurches from crisis to crisis the United States stands by seemingly impotent, incapable of deciding whether to bring real pressure on the regime to mend its ways.

Knitting Pakistan Together The return of party politics to Pakistan was always going to be difficult. Army rule has alienated the population from the government.

100, 75 AND 50 YEARS AGO

1888: Jack the Ripper? LONDON—The cauldron of murder still boils and bubbles. To-day [Oct. 4] the Daily Telegraph publishes facsimiles of "Jack the Ripper's" letters and postcard.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1988-1992

—Jonathan Haver to The International Herald Tribune.

Handwritten signature or initials.

OPINION

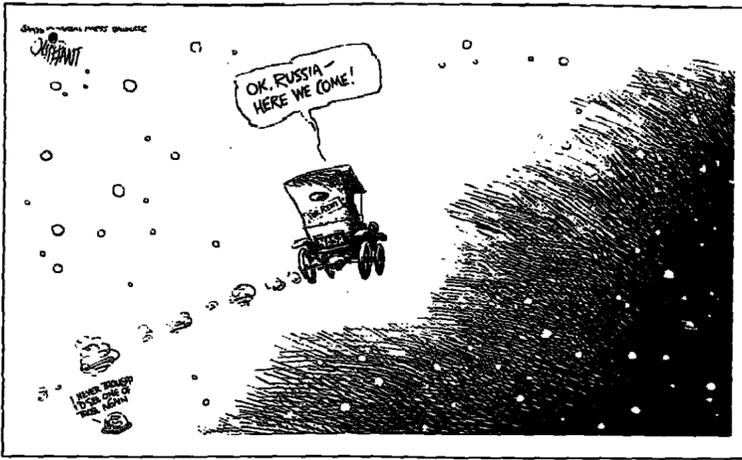
A Boswell Waxing Nostalgic About Dinners With Andrei

By A. M. Rosenthal

NEW YORK — This morning I woke up with a deep sense of nostalgia. I was stunned when I suddenly realized who I was being nostalgic about: Andrei Gromyko!

ON MY MIND

Dare I think that I played a role in his rise? I dare. As the years passed we drifted apart, Andrei and I. Our lives took different paths — he on to be foreign minister, member of the Politburo and then president of the Soviet Union while I was left behind, just hanging around the New York Times.



LETTERS TO THE EDITOR

Olympics in the Larger World: Not All Rivalry Is Healthy

Regarding "... and by the Way, Thanks for the 8 Basketballs" (Sports, Sept. 20) and "The New Olympians: Winning Is Everybody's Business" (Opinion, Sept. 20): These two articles form an interesting contrast. The first, on the surprise opening-round victory of the Central African Republic's basketball team, reads almost like a fairy tale.

Islam Is No Stranger There

Regarding "In Pakistan, Obstacles to Democracy" (Opinion, Sept. 2): Narendra Singh says that India wants democracy in Pakistan because it "would give greater voice to younger Pakistanis, less obsessed with India than their elders."

Health, Shmealth: Let's Just Put a Warning Label on Life

By Richard Cohen

WASHINGTON — On the second floor of the Washington Post building is the cafeteria, and next to it is the Health Center. Almost every day, taking instruction from my stomach, I go down to the cafeteria and pass the Health Center. Almost every day, the Health Center makes me sick.

MEANWHILE

From what I could tell, more than two minutes in the sun would result, without a doubt, in skin cancer. There were, I think, pictures of people who, having rushed outside to retrieve the cat, died almost instantly from the sun's effects.

U.S.-Philippine military base talks

It may be that the Philippines would derive greater benefit from having to work for its money rather than getting a handout from the bases; it may be that the Philippines want to know they can look after their own security without the need for a Big Brother nearby.

Footnote of History?

Regarding the article "Fun on 'Ovens' Lands Le Pen in Trouble" (Sept. 5): France has produced such political figures as Philip Augustus, Henry IV, Richelieu, Mazarin, Talleyrand and de Gaulle. One can only hope that such a buffoonish mountebank as Jean-Marie Le Pen is a detail historique.

A Question of Allegiances

Regarding "From Jews in America and in Israel, a Split Ballot" (Sept. 27): Wolf Blitzer of the Jerusalem Post could hardly be accused of anti-Semitism, but in his otherwise perceptive opinion column, he says that American Jews begin to think of purely American issues only after they feel sure that the two presidential candidates are both safely pro-Israel.

No Big Brother Needed

Although it must be hard for Americans to think anybody could get along without them, Jean Kirkpatrick ("For a Collective Approach to Security in the Pacific" Opinion, Sept. 17) might at least have allowed for the possibility of reasoning behind the stance of Foreign Secretary Raul Manglapus in the

GENERAL NEWS

In Cape Town, a Rare Apartheid Debate

By Christopher S. Wren

CAPE TOWN — To a hushed audience, the Reverend Allan Hendrickse described in detail how his father's "beautiful home" had been knocked down, brick by brick, when their old neighborhood in Uitenhage was declared legal for whites only.

Alec Issigonis, Designer of Mini Car, Dies at 81

The Associated Press

LONDON — Sir Alec Issigonis, 81, designer of the box-like Mini car that brought economical motoring to millions of Britons, died Sunday at his home in Edgmont, the London Times reported Tuesday.



Advertisement for Remy Martin XO Cognac featuring a bottle, glasses, and a golf club. Text includes: "What I like about golf is the warm up..." and "REMY MARTIN XO Exclusively Fine Champagne Cognac"

# Ex-Hostage in Lebanon Flies to West Germany; He Is Silent on Others

By Nora Boustany  
*Washington Post Service*

**DAMASCUS** — Mithleshwar Singh, released by his captors after 20 months in confinement with three American hostages, was flown aboard a U.S. military aircraft to West Germany Tuesday on his way to the United States, Damascus airport officials said.

The Indian-born U.S. resident left the Syrian capital alone in late evening, leaving behind his wife, Lala Mani, who had driven from Beirut for a reunion after their long separation, an Indian diplomat said.

He is expected to undergo a medical checkup at a U.S. military hospital in Wiesbaden before traveling to the United States.

Mr. Singh, a university professor who holds resident alien status in the United States, was freed in Beirut late Monday and escorted by Syrian intelligence officials across the Bekaa valley and into Syria. He was handed over to U.S. and Indian diplomats by Syrian officials.

Three American educators kidnapped with Mr. Singh on January 24, 1987, and with whom he stayed throughout his ordeal, are still detained.

Mr. Singh, looking drawn and underweight, declined to comment on the conditions or whereabouts of his three colleagues but said that while a hostage his "treatment was better" than he had expected.

"But there is no substitute for freedom in the world," he said.

Mr. Singh struggled to maintain an air of dignity but his voice betrayed his hardships in confinement. He is a diabetic and has to be treated for high blood pressure.

"Please, please, respect my freedom now; let me be quiet, let me be silent," Mr. Singh pleaded.

"I cannot say anything that might go against one of the people who are still under detention." The academic said he did not know where he had been held or why he was the first one to be released.

## Talks Sought on East Timor

*Reuters*

**UNITED NATIONS, New York** — Portugal's foreign minister, João de Deus Pinheiro, said Tuesday that his country was preparing to send a delegation to East Timor to discuss the fate of its former colony. Indonesia has said that in absorbing the territory it had the support of the East Timor people and no further act of self-determination was necessary.

released. Mr. Singh said he was unaware of any American hostages other than the three Beirut University educators he had stayed with.

He explained: "I have been living with three friends of mine, three colleagues of mine, that's all. I haven't seen anybody else. Mr. Robert Polhill, Dr. Jesse Turner and Alann Steen. So we four were put together and we lived together all these 20 months."

"It is better for me not to make any statement on that at all, because we don't know what might hurt them," he added, hinting that the other three were not out of danger yet.

The U.S. ambassador in Damascus, Edward P. Djerejian, who offered his credentials to President Hafez Assad of Syria over the weekend, thanked the government of Syria "for its important role in the release of Mr. Singh."

Mr. Djerejian pledged that efforts would continue for the release of remaining hostages. There are nine Americans still missing in Lebanon. At least six of them are believed held by pro-Iranian fundamentalist groups operating in Beirut and central Lebanon.

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"For too long, the hostages, those innocent persons, have been pawns in an inhuman and cruel political game of terrorism," the ambassador said, while standing on the steps of the Syrian Foreign Ministry, in his first major public statement since he assumed his post.

At the ceremony, the Syrian state minister for foreign affairs, Nasser Qaddour, said Syria would pursue its efforts to assist in the liberation of all kidnap victims and "rejoice whenever such efforts are crowned with success."

Five color photos released with communiqués issued by the Islamic Jihad in recent weeks showed the four captives in dark blue sweaters and jeans, drinking tea and wrapped in blankets, suggesting they were in a cool place far from the sweltering heat of Beirut.

Shiite sources in Beirut said recently that the group holding the four professors was acting independently from Iran and had sought to deal directly with the United States or through Syrian intermediaries.

The string of communiqués by the underground organization had prodded the United States for positive action regarding the rights of Palestinian people. It is not clear whether the group is specifically linked to the PLO or any other guerrilla faction or whether it was using the Palestinian cause and uprising as a cover for its real identity.



**Torrent in Southern France Kills at Least 10 in Nîmes**  
Cars swept by floodwaters after a freak rainstorm blocked a street Tuesday in Nîmes, a southern French city of 130,000 people noted for its Roman amphitheater. At least 10 persons were killed, and rescue workers said that they expected to find more bodies. French radio said five persons drowned in mud after 20 centimeters of rain fell in three hours on Monday. Another person was killed in a gas explosion. No details were available on the other victims.

# Reagan Cautious on Hostages Gulf Talks Said to Gain

*The Associated Press*

**WASHINGTON** — President Ronald Reagan ruled out again on Tuesday any negotiations with the captors of nine American hostages and said liberating them remains a "great problem" despite the release of an Indian captive.

The White House tempered expressions of pleasure at the release of the Indian in Beirut with "the knowledge that nine innocent Americans are among those still held hostage in Lebanon."

Mithleshwar Singh, a Beirut University professor who is a legal resident of the United States, was turned over to the U.S. ambassador to Syria in Damascus on Tuesday.

Mr. Reagan, in an exchange with reporters, did not explain how Mr. Singh's freedom was obtained. But he again ruled out any U.S. deals with the captors, believed to be pro-Iranian group.

He said trying to secure the release of the nine Americans held in Lebanon "has been a great prob-

lem for us and it's very much on our minds."

Mr. Reagan declined to speculate on what move the United States might make to win the release of the nine American hostages.

"We've done no negotiating on that at all," he said, "and I'm not going to hazard a guess as to why they turned him loose — not as long as we've still got hostages there."

Asked if he thought Iran was attempting to manipulate the outcome of the U.S. presidential election, Mr. Reagan smiled and said, "Well, if they are, I hope they're on the right side."

## Mixed Impact for U.S.

*Earlier, Lou Cannon and David B. Ottaway of The Washington Post reported from Washington.*

For the Reagan administration, the release of Mr. Singh was a welcome development and a disturbing reminder of the Iran arms scan-

dal that rocked the Reagan presidency two years ago.

The presidential spokesman, Marlin Fitzwater, insisted repeatedly at his daily briefing on Monday that "no deals" had been made to obtain the release of any hostages.

When reporters reminded him that other officials had made similar statements before disclosure of the secret U.S. arms sale to Iran, Mr. Fitzwater shot back: "Since that episode, we learned a very valuable lesson there, and we learned it the hard way," he said, adding that the administration had learned "to stay firm and steadfast and not to negotiate."

White House and State Department officials have gone out of their way in recent days to deter speculation that the United States is talking with Iran about release of hostages in return for an improvement in diplomatic relations.

"There have been no direct contacts," Phyllis Oakley, a State Department spokesman, said, referring specifically to the hostages. On Friday, she denied any indirect contacts.

"If there is a third party involved, it's not with the authority of the United States government at all," a State Department official said.

Since mid-September, the group holding Mr. Singh and three other educators has issued numerous statements saying it is ready to resolve the hostage issue.

At the White House, officials walked a tightrope, insisting on the one hand that President Reagan was so concerned with the hostages' fate and on the other that the administration was not negotiating to obtain their release.

Several recent books have quoted former Reagan administration officials as saying Mr. Reagan was so concerned with the hostages' plight at the time he approved the Iran arms sale that he ignored his policy of not negotiating with terrorists.

Mr. Fitzwater declined to comment on the possible impact of a hostage release on the presidential candidacy of Vice President George Bush, but White House officials privately acknowledged that the issue was politically sensitive.

Reagan administration fears that Iran might seek to exploit the hostage issue during the election campaign date from early this summer when Robert B. Oakley, a former National Security Council expert on the Middle East who is now ambassador to Pakistan, wrote a memorandum warning the White House to be on its guard. He is the husband of Phyllis Oakley.

White House officials also are wary because of Mr. Reagan's well-known tendency toward optimism.

# Gulf Talks Said to Gain

*By Paul Lewis*  
*New York Times Service*

**UNITED NATIONS, New York** — The foreign ministers of Iran and Iraq are making slow progress in talks here on a permanent peace settlement, according to diplomats and UN officials.

Nevertheless, Foreign Minister Ali Akbar Velayati of Iran devoted most of a speech to the General Assembly on Monday to a scathing attack on Iraq, accusing it of starting the Gulf War in 1980, using poison gas in violation of international law and dragging its feet in peace negotiations.

The foreign minister reaffirmed Iran's commitment to a 1975 treaty mandating joint sovereignty over that portion of the Shatt-al-Arab waterway that forms the border between Iran and Iraq.

He also told the General Assembly that Iraq "will never permit the Iraqi government to achieve its aggressive designs by its resort to destructive ploys in the peace talks."

Diplomats said Iran's return to the verbal offensive might be designed to please domestic opinion in Iran. But they said it may also be intended to keep up international pressure on Iraq to compromise and accept the Security Council's peace plan for the region.

Diplomats and United Nations officials report that the Iraqi foreign minister, Tariq Aziz, appears ready to accept a proposal by Secretary-General Javier Pérez de Cuellar that is intended to break the deadlock that developed between the two sides during their first round of peace talks in Geneva last month.

# Japanese Questioning Whether Concern Over Hirohito Is Extravagant

*By Susan Chira*  
*New York Times Service*

**TOKYO** — In the midst of a national vigil for their ailing emperor, the Japanese are beginning to ask themselves just how much his illness should influence their lives.

In the two weeks since Emperor Hirohito became gravely ill, government officials have canceled trips abroad, and schools have put off annual autumn festivals.

Japan's press has written of little else, offering daily charts of the emperor's vital signs and giving accounts of the crowds gathering at the Imperial Palace to wish him well.

Most papers have not included dissenting views from people who may not approve of the nation even having an emperor.

While many Japanese are clearly transfixed by the illness, others are questioning whether the nation is acting out of spontaneous concern or simply conforming to what people see as proper behavior.

Over the last few days, citizens' groups, unions, newspaper columnists, intellectuals and even government officials have begun to express concern that the nation is reacting too strongly.

Some are wondering out loud whether such a reverent response is entirely appropriate for a nation that considers itself a democracy.

"It can be said that the country has rather overreacted to the emperor's illness," wrote Raisuke Honda, Yomiuri Shimbun's political editor, in a column that appeared Monday. "The present excessive mood of self-restraint stems from the 'follow your neighbor' psychology. Now, each of us must follow his own judgment."

Even in normal times, Japan is a place where adherence to outward formalities betokens inner sincerity. With the emperor lying seriously ill, such symbols have become even more important.

But because this is the first time Japan has faced the prospect of an emperor's death since the nation adopted democracy after its defeat in World War II, no one is quite sure how far to go in observing protocol.

In deference to Hirohito's condition, public figures such as politicians, singers and actors who want to avoid offending constituents and fans have canceled fund-raising parties, weddings or other celebrations.

Some companies have ordered employees to dress in subdued colors. Others have dropped advertising slogans that they considered inappropriate.

Schools across the country have either canceled scheduled festivals and sporting events or postponed decorations and fireworks at the festivals.

Over the last few days, a citizens' group held a small protest in a public park condemning the rash of cancellations; teachers' unions called on their boards of education not to cancel school athletic meets; and a union of mass media workers accused the press of having glorified the emperor and having failed to report any but respectful reactions to his illness.

Several intellectuals have published articles describing cancellations as another example of an unthinking conformity, using the Japanese expression that roughly translates as "doing as the person on your right does."

They point out that Japan's constitution defines the emperor as "the symbol of the state," not a god.

The newspaper Asahi Shimbun called the cancellations inappropriate.

"The emperor, who has no political functions under the constitution, should not be mixed up in political matters or deliberations," it said in a recent editorial.

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# Post-Discovery: U.S. Future in Space in Hands of Politicians

By Kathy Sawyer  
Washington Post Service

EDWARDS AIR FORCE BASE, Calif. — Jubilant NASA officials are passing out buttons that picture the rising shuttle with the slogan "Back to the Future." It now that Discovery has returned Americans to space, the future of the space program is more in the hands of politicians than in the hands of NASA and its engineers.

Since the Challenger explosion, the space agency's mission has been clear — to get the shuttle flying again. But the 32-month hiatus has postponed decisions on the more fundamental questions about the kind of space program the nation wants and can afford.

Perhaps the most fundamental question for the presidential nominees, Vice President George Bush and Governor Michael S. Dukakis, is whether an aggressive manned space program — as opposed to a "lighter level" — is a luxury the nation can no longer afford.

For more than a decade, advocates of the space program have accused budget-minded officials in Congress and the executive branch, as well as in the National Aeronautics and Space Administration, of trying to buy a first-class space program at bargain rates. Now, they say, some hard choices are going to be unavoidable.

A series of studies have concluded that if the space program is to grow in any direction, drastic budget increases will be required. If it is to pursue only those projects already on the books, NASA's annual budget — \$10.6 billion — will have to double by the year 2000.

Mr. Bush has supported the proposed space station and the manned space program in general. Mr. Dukakis has focused on the issue only recently, after Democrats in Congress pointed out the value of space station jobs in the key electoral states of California, Texas and Ohio. Since then, he has made several statements of support for the project.

But both candidates have indicated that budget constraints could prevent the country from moving ahead with new undertakings. Some space experts say they favor an

other magnificent adventure in the tradition of the Apollo moon program — a manned mission to Mars is the most popular goal — which they say would galvanize the people of the globe and energize a generation of scientists and engineers. Many favor cooperating with the Soviets on such a project.

But another strategy is gathering support within the space community. Sally Ride, a former astronaut, and others argue that the nation must learn to walk in space before it tries to gallop.

This emerging school favors a methodical building of a space "infrastructure" — development of new technology, research in space biology and a mixed rocket fleet, aimed at the establishment of a lunar base as a stepping stone to an eventual Mars voyage.

Both scenarios would require a manned space station, but not the same kind. The United States and its international partners — European countries, Japan and Canada — signed an agreement last week to build a space station, based on a compromise that could be modified in the future to accommodate whatever major goal is chosen. Meanwhile, it will be used for

scientific experiments. But critics say it embodies many of the same mistakes that shaped the shuttle.

The shuttle's primary employment for the mid-1990s is to build the space station. If the station is killed or drastically delayed, the shuttle may be idled. On the other hand, if the station is built, it could be disastrous to continue to rely primarily on the shuttle for that purpose, given its risks and costs.

NASA must still demonstrate that the new system can continue to cope better than the old one did with the enormous pressures inherent in the enterprise, which are already crowding in again.

Ground teams at the Kennedy Space Center in Florida are completing processing of the orbiter Atlantis for lift-off with a military satellite on Nov. 17. The 27th shuttle flight has the tightest schedule on the manifest any time soon, according to NASA's chief of space flight, Rear Admiral Richard H. Truly.

"So you're going to see on one hand the iron-clad insistence that we're going to do it with the same rules we used on Discovery," Mr. Truly, a former astronaut, said in an interview. "But internally, you're going to see a lot of pressure to get it launched."

## AMERICAN TOPICS

### How New Mothers Can Help Each Other

The much-vaunted loneliness of the long-distance runner is nothing compared to that of the new mother. Sandy Rovner writes in the Washington Post's weekly Health magazine. "The world has come down to her baby and a kind of ongoing, unreasoning terror in her heart that something isn't right and it's her fault."

But when there is no extended family — grandparents, aunts, in-laws — to turn to, Parents After Childbirth Education, or PACE, can help. Founded in Washington, D.C., in 1973, PACE has spread as far as New Orleans. Usually, a PACE group consists of no more than 10 mothers plus their infants, and a trained leader. The leaders usually are mental health professionals, and all of them are mothers.

The groups meet one morning a week for eight weeks. They share experiences and ask questions. One evening session includes fathers. The total cost is \$80 per family. PACE is non-profit; the money goes for training and paying the leaders.

"It was a lifeline," one new mother, Jill Zaklow, said of her PACE group. So-called "baby blues," or postpartum depression, "may affect to a greater or lesser extent up to 80 percent of new mothers," Mrs. Rovner reports. "The support of a PACE group may be as simple as misery loves company. But the mothers testify that just getting dressed up to go out with the baby is cheering."

### Notes About People

After polling college officials, U.S. News & World Report magazine has rated Yale the best U.S. university and Swarthmore the best liberal-arts college. Yale is the alma mater of the Republican presidential candidate, George Bush, and Swarthmore, of his Democratic opponent, Michael S. Dukakis.

Barbie, who has ruled the fashion-doll market for most of her 29 years, has a new rival: Maxie, produced by Hasbro Inc., the leading U.S. toy maker. Hasbro has sunk most of its \$7 million promotional budget this year into TV commercials starting this month for Maxie, a fresh-faced California high-school girl who, like Barbie, does on sports and the beach. Maxie dolls cost from \$5 to \$12, but extra outfits and accessories can run the cost far higher. At Mattel Inc., a spokeswoman said, "Our Barbie line is stronger than ever," including one at \$14.99 that comes with her own bottle of fragrance and a "California Barbie, which comes with a Beach Boy record you can't get anywhere else."

The Los Angeles Public and Coastal Protection Committee is promoting a city referendum that would permit offshore oil drilling. While acknowledging that the \$445,000 it has received in contributions included \$395,000 from Occidental Petroleum Corp., it issued a statement that "our campaign has received 139 separate financial contributions; 140 of them were not from Occidental Petroleum." The Los Angeles Times suggested a recount.

Arthur Higbee

## Myerson Melodrama Obsesses New York

By Howard Kurtz  
Washington Post Service

NEW YORK — Even by the standards of a city fixated on soap operas of the rich and famous, New Yorkers have been fixated on the Bess Myerson saga with a special fascination bordering on glaze.

Her rise was so stunning for so long — from a Bronx housing project to Miss America of 1945, from television star to top city official and confidante of Mayor Edward I. Koch — that her equally spectacular fall is being gossiped about, dissected and photographed from every conceivable angle.

Miss Myerson's trial, which began Tuesday, is the stuff of which pulp fiction is made. She is charged with fixing her companion's divorce case by giving a job to the emotionally disturbed daughter of the presiding judge.

From the moment the first potential jurors were questioned, Miss Myerson has been pursued relentlessly. Here she is, descending the stairs to the Lexington Avenue subway on her way to court, trailed by kissing flashbulbs. There she is, popping her jailed companion, Carl A. Capasso, the second player in the love triangle that led to Miss Myerson's six-count federal indictment. There she is again in the dark sunglasses, emerging from a limousine and greeting onlookers outside the courthouse.

Why this obsession? "For a long time Bess Myerson was a woman who could do no wrong and who sort of symbolized New York City success," said City Councilwoman Ruth Messinger. "In an era when there was a great deal of question about how high Jews could rise, there was Bess Myerson as proof you could get to the top. She achieved a kind of permanent fame. She became a quasi-mythic character. Then it began to crumble."

"That struts the juices of people who said, 'I always knew she couldn't be that perfect.'" Miss Myerson, who has strongly protested her innocence, faces up to 30 years in prison on charges of obstruction of justice, mail fraud, conspiracy and bribery-related charges. She was forced to resign as Mayor Koch's cultural affairs commissioner last year.

The public demise of Miss Myerson, 64, who once proclaimed herself "Queen of the Jews," has brought forth a torrent of reports about her erratic behavior. A 1980 police investigation, for example, found that after her romance with a financial investor ended, Miss Myerson made abusive phone calls to the man and several of his female friends and sent the women up to 50 anonymous letters.

Miss Myerson's relationship with Mr. Capasso, 46, a millionaire sewer contractor, began sometime after her unsuccessful 1980 Senate campaign. Mr. Capasso, who is now serving a four-year term for tax evasion, gave Miss Myerson money, jewelry, vacations, furnishings and the use of his chauffeured limousines and credit cards, according to the indictment.

In late 1982 Mr. Capasso's wife, Nancy, took him to court in what would become a \$15 million divorce case. She accused her husband of having viciously beaten her after a confrontation over Miss Myerson. Mr. Capasso was ordered evicted from the couple's Fifth Avenue apartment.

The divorce case was assigned to Hortense W. Gabel, now 75, then a



Bess Myerson

state judge in Manhattan. In July 1983, Judge Gabel cut in half the \$2,000 a month in alimony and child support that she had previously ordered Mr. Capasso to pay his ex-wife.

A month later Miss Myerson hired the judge's daughter, Sukhreet Gabel, now 39, as a \$19,000-a-year special assistant in the Cultural Affairs Department.

Prosecutors, whose case is largely circumstantial, allege that the job amounted to a bribe and that Miss Myerson celebrated the alimony reduction with the Gabels, changing dinner on Mr. Capasso's credit card. Mr. Capasso and Judge Gabel are also defendants in the case.

The trial has political significance as well, since the scabrous Mr. Koch has been languishing in the polls (48 percent disapproved of him in one recent survey, a record high). He has been closely identified with Miss Myerson since his 1977 election as mayor, a contest that many believe he would have lost without the former Miss America campaigning hand-in-hand at his side.

"For those people for whom a potential bachelor mayor raised some anxiety, there were suggestions that for all we knew, they just might decide to get married," said Councilwoman Messinger, one of a dozen potential challengers to Mr. Koch's re-election next year. The marriage hints turned out to be a political ploy.

On the stand, Mr. Koch is expected to repeat his account that

## Garcia's Austerity Moves Provoke Anger in Peru

By Michael Smith  
Washington Post Service

AYAVIRI, Peru — Thousands of peasants converging recently on this town 800 kilometers southeast of Lima for the annual market day blocked access by digging trenches and rolling boulders onto the roads.

They and the townspeople then mounted the area's largest protest in memory, denouncing big price increases decreed by the government of President Alan Garcia Pérez in early September.

"We understand that prices have to rise," Raulendo Bautista, a peasant federation leader, said last week, "but the prices for our produce have not risen in the same proportion."

Three years ago Mr. Garcia swept to an electoral victory in the zone by offering peasants a better deal for their crops and livestock, along with assistance programs and agrarian reform. Now, protest strikes and outright pillaging have disrupted this region known as Puno, on the bleak slopes of the high Andes.

The bitter economic medicine was forced on the government in early September when Mr. Garcia and his advisers ran out of hard cash and economic recipes and had

to resort to harsh austerity measures. They slashed subsidies and put in place a program perhaps more drastic than anything prescribed by the International Monetary Fund, which Mr. Garcia has frequently portrayed as a bogymon.

A complicated multilateral exchange rate was replaced with a simple rate of 250 units per U.S. dollar, doubling and tripling the prices of essential goods such as gasoline, medicine, bread and cooking oil.

Overnight, nearly a third of an average wage earner's salary was wiped out. Inflation is estimated at 100 percent per month.

Because of the inflation and a predicted 5 percent drop in the gross domestic product, former Finance Minister Javier Silva Rucete and other economists are saying that the government will have to turn the isolated measures into a consistent program, with assistance for those adversely affected and a strategy for promoting exports.

The government has had to backtrack on an announced price freeze and may have to devalue the inti again.

The reaction has been outrage. But, despite the peasants' demonstration in Ayaviri, the organized

opposition has been notably cautious. When speculation arose about a possible military coup, the defense minister, General Enrique Lopez Albujar, reaffirmed the armed forces' loyalty to the constitution.

Yes Mr. Garcia, whose popularity rating was put at 95 percent after he took office in 1985, now faces a 78 percent disapproval rating, according to the same polling firm.

The government may also have to reverse other policies. Last week in West Berlin, Finance Minister Abel Salinas spoke with the IMF's managing director, Michel Camdessus, on the possibility of re-establishing normal relations.

When Mr. Garcia took office, he announced that Peru would not deal with the IMF and would not use more than 10 percent of its export earnings to service its foreign debt. In mid-1986 he also ordered Peru's central bank to stop making payments on previously acquired IMF debts.

Peru is about \$750 million in arrears to the IMF.

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ARTS / LEISURE

Fendi, Krizia, Ferré Try Tender Touch

By Suzy Menkes
International Herald Tribune
MILAN — This is getting to be a good Italian fashion season not because there is one strong message, but because everybody has something to say.

MILAN FASHION
though they all believe in color, they mix different palettes.
Karl Lagerfeld for Fendi was in a tender mood, which he expressed in sweet faded shades of lilac, wistaria, laurel green and straw beige.

But this was a collection to give nostalgia a good name. It started with bristly navy knits elongated cardigans over striped bathing-belle shorts. With white knee socks and ankle-strap pumps, they looked junior, but charming. The real beachwear, which came later, was snow white, strictly, scalloped at all the edges and delicious.

Lagerfeld said he was inspired by the, bohemian world of the painter Vanessa Bell. Artists' smocks in fresh linen looked adorable over crisp shorts, which also came in a more sophisticated dark silk print with a tailored linen jacket.

Long was the message for skirts, and graceful dresses, which were universally in linen and had a rustic feel without being at all peasant-style. Shoes were flat, which looked right.

Pantsuits inspired by the same prewar period were in straw-colored linen, with overlays of white gauze lace, as though a cornfield were stippled with flowers. In the same mood was an impression of meadow flowers on a filmy voile skirt.

For Fendi, the summer season is always more difficult than winter furs. But this was a fresh, pleasing collection, even if Lagerfeld's good friend Anna Piaggi (in easy-care black Chanel banded with vinyl) judged it as "a lot of ironing."

Krizia also tried a little tenderness. Shell pink and toffee beige were favored colors in this sweet-toothed collection, where all the lines were soft, the fabrics fluid, hemlines long and the effect ravishingly pretty. By the time that Mariuccia Mandelli, the Krizia designer, walked out on the runway with her two grandchildren, she received a deserved ovation.

The Krizia woman, who has often in the past had a hard edge, was softened up with gentle wide-leg pants and high waist skirts that were either skiny or ripping out as they leaped the calves. There were no short skirts, but plenty of shorts and pants.

Shoulders were rounded, jackets cut on the curve and the flat shoes that were worn throughout even for evening gave a feel of summer. So did the swimsuits banding the body in sea blue and black, and the short-and-sweet cream cable knits topping flared shorts in cappuccino silk.

Halter tops layered over T-shirts and tie-back pinafors were complicated. But sundresses with sweeping skirts below a strapless top were refreshing.

Laura Biagiotti's trip to China, screened as a stylish travogue over Milan's fashion weekend, was relied on the runway. The First Empress of Cashmere flew in a dozen models from Beijing and dressed them lacquer red, Ming yellow and Mao blue. Clothes were on the Eastern side too, with loose unics over narrow pants and colorful dragon and fish motifs on black swimsuits.

The elongated lines of Gianfranco Ferré's collection and its salty navy and white coloring looked a little austere. Yet he does the sculpted style very well.

Paradoxically, it was Ferré's evening clothes, not usually a strength with this designer, which looked modern and elegant: slim draped ivory crepe or short midnight blue satin, lit up with gold jewelry or spangled with sequined chiffon. Even regular straight pants topped with a mezzing of bloused white organdy looked fresh.



Fancy light cape from Fendi.



A Fendi offering for spring and summer.

The Showman Of São Paulo

By Alan Riding
New York Times Service
SAO PAULO — Whether Gerald Thomas's principal objective when he returned here from New York four years ago was to introduce a new genre of theater, to upset the local cultural establishment or simply to gain fame, the Anglo-Brazilian stage director can fairly claim — and frequently does — to have achieved all three.

"The ego side has been more than satisfied," he said, peering through Brechtian spectacles as if confessing to the sin of pride. "I have become a presence in Brazil's cultural life. People are already talking about the pre-Thomas and the post-Thomas eras of Brazilian theater."

Indeed, by exciting some, angering others and stirring jealousy among more, the 34-year-old director has in a short time emerged as the most polemical figure on the Brazilian theatrical scene, polarizing public critics, actors and directors with his provocative views and avant-garde work.

Thomas is, for a start, a master of publicity, with interviews, reviews and round tables about his pieces — and opinions — frequently occupying pages of the cultural supplements of newspapers. But he is also, at least in form and content, inspired by what he describes as the "subversion" by the likes of the American director Robert Wilson, and the East German playwright Heiner Müller.

So far, he has used works by Beckett, Wagner, Mérimée and Kafka as vehicles for his productions, but he is moving toward creations that he calls "dry opera," characterized by a cinematographic use of lights and backdrops, pre-recorded music, almost choreographic acting and a sort of anti-language that he describes as "verbal hemorrhage."

He is taking three pieces to New York for performances at La Mama. "The Process," "Praga" and "Carmen Com Filtro" are Thomas creations within borrowed frameworks. "The Process," the most critically praised of the three, follows the story line of Kafka's "Trial" and uses music from Wagner's opera, "Parsifal." "Praga" (which in Portuguese means both Prague and plague), with music by Shostakovich, is evocative of Kafka but not based on a text, and "Carmen Com Filtro" ("Carmen With Filters"), with an original score



Lesser-known São Paulo director Gerald Thomas.

by Philip Glass, adapts and satirizes Bizet's version of the Mérimée story.

Although Thomas directed 18 plays by Beckett at La Mama between 1979 and 1984, he says he is nervous about the reaction to his new pieces. "New York looks like a very open-minded place, but it is in fact very narrow-minded," he explained. "The most interesting things happening in New York are brought from Germany. The most important theater artist of the second half of the 20th century is Bob Wilson, and he can hardly work in the United States."

Certainly, Brazil still seems unsure what to make of Thomas. In a sense, Brazilian theater was ripe for the shakeup he provided: in the 1970s it was suffocated by the censorship of a military dictatorship and in the 1980s swamped by commercial productions that Thomas dismisses as "soaps without cameras." Young people have embraced his works and even turned him into a cult figure, while the fury of his critics has helped draw the world of drama into the public spotlight.

At times, though, it seems that his critics are reacting more to the man than his works. When he speaks scathingly of the theater in Brazil, for example, he asks: Is he doing so as a Brazilian (he was born in São Paulo and is fluent in Portuguese) or as an Englishman (he spent his late teens and early 20s in London and he sounds English) or as neither (his father was a German Communist who fled Hitler and his mother was a Welsh psychoanalyst)?

One sign that the Brazilian cultural establishment is learning to live with him is the decision by the Municipal Theater in Rio de Janeiro, which competes with São Paulo as the country's cultural capital, to present "The Process" in January, but this time as a "wet opera" with a full orchestra, choir and soloists. "They know they will sell out," Thomas suggested optimistically. What seems clearer is that, while under contract to take "The Process," "Praga" and "Carmen Com Filtro" on a European tour next year, Thomas has won a place for himself in Brazil. As it was put recently by Octavio Frias Filho, publisher of the daily Folha de São Paulo, "always pleasant and vain, at times confused and contradictory, Thomas is the most lively and animated presence on the moribund stage of the Brazilian theater today."

GALERIE JAN KRUGIER

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Michael Frayn's Chekhovian Cornucopia

By Sheridan Morley
International Herald Tribune
LONDON — We ought to have become accustomed to Chekhov plays being written by Michael Frayn, since all four of the major classics are now in his translations and he has also carved his

own "Wild Honey" out of the hitherto intractable "Platonov." But at the Aldwych as "The Sneeze" is a set of no less than eight new Chekhovs by Frayn. Some already existed in Russian vaudeville form, others were only short stories; all are concerned with deep social embarrassment, and all have been turned into comic sketches for Rowan Atkinson, Timothy West and Cheryl Campbell to perform.

What separated Chekhov as a farce writer from a contemporary like Georges Feydeau, or the later Ben Travençolo, was that his characters were seldom in actual peril. They were usually in varying stages of rage or mortification at the tricks of fate. This revue compilation gets off to a splendid start with Atkinson increasingly determined that he will be bored to death, and so never see his wife and children again, as a result of a rival playwright's deter-

mination to read her masterpiece to him through the night. One of two of the sketches work less well. "The Sneeze" itself, a story of acute embarrassment at the ballet, much better when Neil Simon adapted it as part of "The Good Doctor" on Broadway a few years ago and brought out the full career implications of the unfortunate nasal eruption. The best-known of the one-act plays, "The Bear" and "The Proposal," seem more than a little tired. But the evening survives thanks to the comic intensity of Atkinson, one of the great natural farceurs of the West End, and to the evocative settings of Mark Thompson; the director is Ronald Eyre.

"The Secret of Sherlock Holmes" at Wyndham's turns out to be no secret at all: A 90-minute script of amazing banality and lack of suspense has been cobbled together from Conan Doyle by Jeremy Paul, presumably to capitalize on the presence of his two actors, Jeremy Brett and Edward Hardwicke, as Holmes and Watson in a current television series.

In the first half of this timeless little conversation piece we get a brief recap and revision of the orthodox Holmes doctrines and ran-

dom memories of previous cases, delivered in such shorthand as to be largely incomprehensible to those who have not read the original books in their turgid entirety.

The result is a kind of footnote to Holmes research, a literary conceit of breathtaking silliness that might just have worked for half an hour on a dull television night but is a disgrace at West End prices.

At the Playhouse, Barry Croyton's "Double Act" is a bleak comedy of post-marital life unceasingly perched somewhere halfway from "Private Lives" to "Who's Afraid of Virginia Woolf?" and able only

at the last to come up with the authentic voice of its own rage at a world where the only crime greater than marriage is divorce.

Expertly played by Simon Cadell and Lisa Harrow as the entire cast, it consists largely of brittle, tough sketches from a dead relationship that both partners are for obscure reasons occasionally urged to kick-start back into a kind of afterlife.

"Double Act" is a fragmented and ultimately rather inconclusive report from the alimony battlefield, but it suggests that in Barry Croyton we may have a new dramatist of intriguing energy and indignation, while Nicholas Raiton's production has a kind of agility.

A Strong Bond

Advertisement for CARIN D'ACHE, featuring a large image of a fountain pen and text describing the company's services and contact information.

A collection of restaurant advertisements under the heading 'Dining Out', listing various establishments like GINZA, LA CHEVAUCHE, JARRASSE, CAFE DROUANT, KITTU O'SHEA'S PUB, JOHN JAMESON, INDRA AND VISHNOU, MACADAM, LE PRESSBOURG, GOLDENBERG WAGRAM, and KERVANSARAY.

Advertisement for JACKPOTS OF 3 MILLION DM, featuring a starburst graphic and the text 'PLAY THE BIGGEST LOTTERY IN THE WORLD!'.

Advertisement for GOLDEN OPPORTUNITIES, listing various prize amounts in DM and the total number of prizes available.

Advertisement for the SOUTH GERMAN CLASS LOTTERY TODAY, including details on how to win, ticket prices, and contact information for Werner Wessel.

NYSE Most Actives				
Vol.	High	Low	Chg.	Cl.
Philly	1,412	27 1/2	27 1/2	+1/4
IBM	1,387	125 1/4	125 1/4	+1/4
AT&T	1,387	42 1/2	42 1/2	+1/4
GenCorp	1,387	27 1/2	27 1/2	+1/4
Amstar	1,387	27 1/2	27 1/2	+1/4
Amalgamated	1,387	27 1/2	27 1/2	+1/4
Amstar	1,387	27 1/2	27 1/2	+1/4
Amalgamated	1,387	27 1/2	27 1/2	+1/4
Amstar	1,387	27 1/2	27 1/2	+1/4
Amalgamated	1,387	27 1/2	27 1/2	+1/4

Market Sales	
NYSE adv. vol.	157,246,000
NYSE adv. vol. excl. gov. securities	148,000,000
NYSE adv. vol. excl. gov. securities & OTC	107,000,000
NYSE adv. vol. excl. gov. securities & OTC & Amex	107,000,000
NYSE adv. vol. excl. gov. securities & OTC & Amex & OTC volume up	107,000,000
NYSE adv. vol. excl. gov. securities & OTC & Amex & OTC volume down	107,000,000
NYSE adv. vol. excl. gov. securities & OTC & Amex & OTC volume up & down	107,000,000

NYSE Index				
Composites	High	Low	Close	Chg.
NYSE	152.4	152.0	152.0	-0.4
Industrial	152.5	152.0	152.0	-0.5
Utilities	152.4	152.0	152.0	-0.4
Finance	152.4	152.0	152.0	-0.4

**Tuesday's NYSE Closing**  
Via The Associated Press

AMEX Diary				
Class	Prev.	High	Low	Close
Advanced	100.00	100.00	100.00	100.00
Declined	100.00	100.00	100.00	100.00
Unchanged	100.00	100.00	100.00	100.00
New High	100.00	100.00	100.00	100.00
New Low	100.00	100.00	100.00	100.00

NASDAQ Index				
Class	Prev.	High	Low	Close
Composite	100.00	100.00	100.00	100.00
Industrial	100.00	100.00	100.00	100.00
Utilities	100.00	100.00	100.00	100.00
Finance	100.00	100.00	100.00	100.00

AMEX Most Actives				
Vol.	High	Low	Chg.	Cl.
Amstar	1,387	27 1/2	27 1/2	+1/4
Amalgamated	1,387	27 1/2	27 1/2	+1/4
Amstar	1,387	27 1/2	27 1/2	+1/4
Amalgamated	1,387	27 1/2	27 1/2	+1/4

Dow Jones Bond Averages				
Class	Prev.	High	Low	Close
Bonds	100.00	100.00	100.00	100.00
Utilities	100.00	100.00	100.00	100.00
Industries	100.00	100.00	100.00	100.00

NYSE Diary				
Class	Prev.	High	Low	Close
Advanced	100.00	100.00	100.00	100.00
Declined	100.00	100.00	100.00	100.00
Unchanged	100.00	100.00	100.00	100.00
New High	100.00	100.00	100.00	100.00
New Low	100.00	100.00	100.00	100.00

Odd-Lot Trading in N.Y.				
Oct. 3	Buy	Sales	'58H	'58L
Oct. 3	178,334	493,440	49,821	4,239
Oct. 2	242,879	593,764	56,268	4,239
Oct. 1	171,884	497,589	48,245	4,239
Sept. 30	161,881	477,267	45,128	4,239

Dow Jones Averages				
Index	High	Low	Close	Chg.
Indus	214.27	213.47	213.47	-0.80
Transp	114.22	113.57	113.57	-0.65
Comp	74.24	73.73	73.73	-0.51

Standard & Poor's Index				
Class	Prev.	High	Low	Close
Industrials	100.00	100.00	100.00	100.00
Utilities	100.00	100.00	100.00	100.00
Finance	100.00	100.00	100.00	100.00
Commodities	100.00	100.00	100.00	100.00

NASDAQ Diary				
Class	Prev.	High	Low	Close
Advanced	100.00	100.00	100.00	100.00
Declined	100.00	100.00	100.00	100.00
Unchanged	100.00	100.00	100.00	100.00
New High	100.00	100.00	100.00	100.00
New Low	100.00	100.00	100.00	100.00

AMEX Stock Index				
High	Low	Close	Chg.	Cl.
High	100.00	100.00	100.00	100.00
Low	100.00	100.00	100.00	100.00
Close	100.00	100.00	100.00	100.00
Chg.	100.00	100.00	100.00	100.00
Cl.	100.00	100.00	100.00	100.00

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

# N.Y. Stocks End Slightly Lower

**United Press International**  
NEW YORK — Prices closed slightly lower Tuesday in active trading on the New York Stock Exchange, as the market exhibited little conviction in either direction.

The Dow Jones industrial average, which fell 7.65 points Monday, slipped 3.20 to close at 2102.06.

Declines led advances by more than a 7-6 margin. Big Board volume totaled 157.76 million shares, up from 130.38 million traded Monday.

Prices traded narrowly mixed for most of the session, with the blue chips enjoying modest gains until that sector pulled back in the final hour.

"The market is showing great concern over Friday's unemployment number," said Ralph Bloch, chief market analyst at Raymond, James & Associates in St. Petersburg, Florida, referring to the U.S. figures for September.

In recent months, analysts believe the unemployment number has become the most influential report in the setting of Federal Reserve Board policy. The near-term course of interest rates could well depend on the Friday data.

Broad-market indexes also lost ground. The New York Stock Exchange index fell 0.30 to 152.93. Standard & Poor's 500-stock index fell 0.76 to 270.62. The price of an average share lost 6 cents.

Mr. Bloch said the market remained stable despite three key worries: the upcoming employment report, the decision by a major brokerage to reduce the stock exposure in its model portfolio and the weakness in technology issues.

"The decision by Salomon Brothers on Mon-

day to lower the equity mix and up the bond mix frightened people," Mr. Bloch said, noting the Dow plunged more than 25 points Monday before recovering to end with a seven-point loss.

"That decision, the unemployment number and the tech stocks gave the bears an opportunity to break this market and they failed," Mr. Bloch said. "With such a news backdrop, this market should have stayed under pressure."

Mr. Bloch said even if the September unemployment data suggested a more robust economy than the August data did, one could argue that falling oil prices could offset inflationary pressures.

"There is some confusion here," Mr. Bloch said. "But given the immediate news backdrop, the market is acting pretty well."

Fidelity was the most active issue, soaring 1 3/4 to 57 1/4 after Grand Metropolitan made a surprise \$60-a-share tender offer.

Delmarva Power & Light followed, up 1/4 to 17 1/4.

INCO Ltd. was up 1/4 to 30 1/4, on news of a recapitalization plan.

AT&T was unchanged at 26. IBM was off 1/4 to 114 1/4.

Among other blue chips, General Electric was off 1/4 to 42 1/4, American Express was off 1/4 to 27 1/4, Boeing was up 1/4 to 63 1/4 and Woolworth was up 1/4 to 55 1/4.

Prices closed slightly lower in slow trading on the American Stock Exchange.

The American Stock Exchange index fell 0.38 to 299.62. The average price of a share lost 1 cent. Declines led advances by almost a 3-2 margin. Volume fell to 7.64 million shares from 7.92 million traded on Monday.

12 Month High	Low	Stock	Div. Yld.	PE	12 Month High	Low	Stock	Div. Yld.	PE
27 1/2	27 1/2	AAR	1.10	14	117	27 1/2	27 1/2	1.10	14
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11

12 Month High	Low	Stock	Div. Yld.	PE	12 Month High	Low	Stock	Div. Yld.	PE
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11

12 Month High	Low	Stock	Div. Yld.	PE	12 Month High	Low	Stock	Div. Yld.	PE
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11

12 Month High	Low	Stock	Div. Yld.	PE	12 Month High	Low	Stock	Div. Yld.	PE
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11
13 1/2	13 1/2	ACAC	0.75	11	117	13 1/2	13 1/2	0.75	11

(Continued on next left-hand page)

## Thompson Drives Away With Ford Down Under

By GERALDINE FABRIKANT  
*New York Times Service*  
**NEW YORK**—Ford Motor Co. has called on J. Walter Thompson Worldwide to take on additional advertising for New Zealand and Australia. The budget is an estimated \$25 million. As a result, the agency said, its worldwide Ford advertising now involves 15 countries with a budget of \$200 million.

"Over the past year and a half, we have been pretty much consolidating our vehicle advertising, as opposed to corporate advertising, that is staying put at Wells, Rich, Greene in Detroit," said Douglas T. McClure, executive director of marketing at Ford.

In August, Thompson was awarded the Taiwan account. Ford counts on Ogilvy & Mather to handle its European advertising, except for West Germany and Finland, which are handled by Young & Rubicam Worldwide. Y&R is also responsible for Lincoln Mercury in the United States and Ford business in Canada.

In deciding on the New Zealand and Australia accounts, Ford reviewed the work of Thompson; the incumbent, DDB Needham Worldwide; and Ogilvy & Mather. Young & Rubicam has a conflicting Mitsubishi account in Australia.

**Ford has been consolidating vehicle advertising over the past year and a half.**

"Japan knows nothing about Europe," Yves de Pimodan, a spokesman for Dentsu Inc., said in Brussels on Tuesday. "The concept of Europe simply doesn't exist in Japan."

Dentsu, a leading Japanese ad firm, announced a \$222.64 million project to promote awareness of the continent. The agency is concerned that Japan might lose out at the scheduled 1992 abolition of frontiers among members of the European Community.

In a symbolic gesture, the budget for the project was given as 200 million European currency units. The Euro is a notional currency. It is based on a basket of currencies of EC members.

Dentsu said the lynchpin of its project would be 1991, which Japan has designated "Europe Year," designed to publicize new European products in Japan through a system of fairs and displays. Cultural, scientific and business exchanges would start soon and run until 1992, it said.

**OVER THE WEEKEND**, Thomas Pollock, chairman of MCA Motion Picture Group, received some good news. The new release by MCA's Universal Pictures, "Gorillas in the Mist," which was in its second week, was doing very well.

The film — based on the life of Dian Fossey, who studied gorillas and was murdered in Africa — is difficult to market, Mr. Pollock said, in part because Sigourney Weaver is not a major movie star and the plot is not "high concept." That is Hollywood shorthand for a film that can easily be described in one sentence.

Universal's initial research showed that the film's greatest appeal would be for women older than 25. But to make sure the commercials appealed to a wide audience, the studio created a variety of different ads.

"We promoted different elements of the film," Mr. Pollock said. The story involves Ms. Fossey's work in Africa, as well as her romance with a married photographer. With women older than 25 in mind, "we did a spot for the daytime soap operas," Mr. Pollock said. It played off the notion of a woman choosing between career and a married man who gets a divorce in order to marry her.

The studio also created a more action-oriented commercial to reflect the exotic nature of the movie. It was shown on morning talk shows.

Universal also prepared a one-minute commercial that ran nationally on the opening night of the Olympic Games. "That spot emphasized all action elements of the film," Mr. Pollock said, adding that he thought the ad was crucial to the film's success last weekend.

## Revlon Restoring Erstwhile Magic

The Focus Switches Back From Health Care to Beauty

By Linda Wells  
*New York Times Service*  
**NEW YORK**—A woman strides into a department store and makes her way to the cosmetics area. She dodges a man in a dinner jacket spraying perfume into the air.

She passes a salesman in a lab coat clutching a jar of cream, and another waving a compact of multi-colored eyeshadows. Never mind the ladylike clouds of pink powder and floral fragrance — this woman has entered a war zone.

Revlon has its ammunition neatly lined up: There is the lipstick with microscopic sponges that release pigment and moisture whenever a woman purses her lips; the dainty perfume with the ominous name, Trouble; the clear mascara; the powdered lipstick; the 464 shades of nail lacquer.



Ronald O. Perleman of Revlon: "The Revlon name is one of the best and most recognized brand names in the world."

These products come packaged under Revlon's own label as well as a host of other brands — Max Factor, Germaine Monteil, Charles of the Ritz, Halston and Bill Blass, to name a few.

Behind this array is Ronald O. Perleman, the cigar-smoking financial wizard who acquired Revlon Inc. for \$1.9 billion in a bitter 1985 battle. The company Mr. Perleman bought was far stronger in liquid than in reality: Its beauty division was foundering and the company seemed more inclined to shrink from competition than rise to it.

It had lost market share in the fiercely competitive \$9 billion cosmetics industry. Its advertising was considered unmemorable, and its packaging was viewed as unimpressive. And the company's relationship with retailers was, to put it politely, strained.

Yet in the past two years, Mr. Perleman has begun to bring back the magic that once made Revlon the leading cosmetics company in the world. He has scored several hits with innovative new products, he has masterminded an eye-catching advertising campaign and he has made a string of successful cosmetic acquisitions.

While not a cosmetics expert, Mr. Perleman has put new life in a company that has had its ups and downs since the death of its

founder, Charles Revlon, in 1975.

"What Perleman has been able to do in two years is incredible," said Allan G. Mottus, an industry consultant. "The beauty image is being restored to Revlon. But it's going to take a long time because it took a long time to erode."

Challenges remain. Revlon is squaring off against formidable competitors that are run by seasoned veterans of the cosmetics business — Estée Lauder and Lancôme in the department stores, Norel and Maybelline in the mass market.

Revlon faces a tough future in solidifying its position in the precarious business of selling cosmetics in department stores, rather than through its traditional

## Grand Stalks Pillsbury With £3.1 Billion Bid

By Warren Getler  
*International Herald Tribune*  
**LONDON**—Grand Metropolitan PLC, the British beverages and food conglomerate, on Tuesday launched a surprise £3.1 billion (\$5.26 billion) hostile bid for Pillsbury Co., the American food and retailing giant that owns the Burger King chain.

Flush with over \$2 billion in cash from the sale Friday of its Inter-Continental Hotels chain to a Japanese company, Grand Met said it was offering \$60 a share for Pillsbury's outstanding stock, in the largest takeover offer for a U.S. company by a British firm.

Pillsbury has faced several difficulties over the past year and has for some time been the subject of takeover speculation.

While Grand Met's offer was a more than 50 percent premium on Pillsbury's closing stock price Monday of \$39, causing an immediate surge in the stock Tuesday, the trading price did not exceed the bid. This suggested the market saw the bid price as fair. Pillsbury stock rose \$18.50 to close at \$57.50 on the New York Stock Exchange.

**AT A GLANCE**

**Pillsbury Co.**

All dollar amounts in thousands, except per share data

Three months ended	1988	1987
Revenue	\$1,480,000	\$1,460,000
Net income	71,400	56,800
Earnings per share	\$0.83	\$0.66
Year ended	1988	1987
Revenue	\$6,190,500	\$6,127,800
Net income	82,200	181,500
Earnings per share	\$0.81	\$2.10

Main Lines of Business  
 Contribution to 1988 revenues  
 Consumer Foods 58%  
 Restaurants 42%

Total assets, May 31, 1988 \$3,840,000  
 Current assets 1,212,600  
 Current liabilities 1,205,100  
 Long-term debt 844,100  
 Book value per share, May 31, 1988 \$10.93

"This is a pre-emptive strike. It's a full bid that has credibility largely because of perceived weakness in Pillsbury management in the United States."

Ron Littleboy, analyst with Nomura Securities in London, said, "Don't expect a higher bid from Grand Met. It's either take it or leave it. They are paying a full price and they know it."

Ron Morrow, food industry analyst with Smith Barney, Harris Upham & Co. in New York, said the Grand Met bid was an "aggressive" move that stood a good chance of success.

Pillsbury, which has experienced a management shakeup and has been struggling with some of its food-retailing businesses, had sales of \$6.19 billion in the year ended May 31.

On Aug. 1, Pillsbury named the former General Foods Corp. chairman, Phillip Smith as its chairman, president and chief executive officer, in a management shakeup that followed poor ratings by analysts.

Criticism at the time was focused on inconsistent management of the group's restaurant business, particularly at Burger King, the world's second largest fast-food chain after McDonald's Corp.

The British conglomerate said it has substantial experience in food manufacturing and marketing through its British-based Express Foods subsidiary, and it claimed that its management of more than 5,100 pubs and 280 restaurants in Britain provided the group with ample experience to run the Burger King chain successfully.

Some analysts, however, said they thought Burger King would be difficult to turn around.

Grand Met said its tender offer for the Minneapolis-based food giant is valid only if Pillsbury withdraws its "poison pill" defense vehicle: a contingent, preferred rights plan for Pillsbury shareholders that allows them to purchase Pillsbury stock in the event of a bid at half the market price.

The British company said that it had initiated a civil suit in the Delaware Chancery court that challenges the validity of this defense.

The bid for Pillsbury confirmed speculation in London over the weekend that Grand Met would use the proceeds of its Inter-Continental sale to Saisoon Group of Japan to help finance a major acquisition in the food and beverage sector. Cadbury Schweppes PLC had been considered the prime candidate.

Grand Met said Tuesday that the hotel sale would yield a profit of \$900 million.

In addition to the \$2.27 billion in gross proceeds from its hotel disposal, Grand Met said it would finance the acquisition through several other means, including a one-for-seven rights issue of loan stock worth \$479 million. Following the announcement, Grand Met stock fell 32 pence to 454 pence on the London Stock Exchange.

In addition, Grand Met has lined up a credit facility of \$3.75 billion from four British clearing banks.

Mr. Sheppard said that a further credit line of more than \$2 billion will be reduced through eventual disposals of Pillsbury businesses, particularly among some of the group's restaurant operations other than Burger King outlets. Pillsbury controls over 5,500 Burger Kings in the United States, some 85 percent of which, however, are franchised.

Grand Met, which acquired the Smirnoff vodka label through its \$1.2 billion purchase of Heublein Inc. last January, from RJR Nabisco Inc., is also engaged in a contested battle with Pernod Ricard SA, the big French drinks group, to acquire Irish Distillers Group.

## SAS Unveils Accord With Texas Air

Compiled by Our Staff From Dispatches  
**STOCKHOLM**—Scandinavian Airlines System said Tuesday it had agreed to pay Texas Air Corp. \$50 million as part of a cooperation pact that also gave it the right to take a 10 percent stake in the Houston-based company.

An SAS statement said that the agreement involved joint facilities, ground handling, marketing and sales representation between SAS and the two major U.S. carriers controlled by Texas Air: Eastern Air Lines and Continental Airlines.

"In addition," it said, "the parties will have strong financial and management ties."

The option agreement gave SAS the right to buy up to 10 percent of Texas Air's common stock on the open market or by tenders. The \$50 million would be paid in three installments as various stages of the agreement were implemented.

SAS said the agreement, reached after nearly a year of negotiations, was the airline industry's first comprehensive, global alliance between two major international carriers.

Continental currently has service from Newark, New Jersey, to London and Paris, and from Miami to London. SAS has service between Scandinavia and four U.S. cities, New York, Chicago, Los Angeles and Seattle.

SAS has been seeking partners and affiliations with other carriers to make itself more competitive for the upcoming deregulation of European airlines, which might enable it to add additional routes to the United States.

The agreement with Texas Air may also help to persuade Continental passengers arriving in London or Paris to connect with SAS flights to the airline's extensive network in Scandinavia.

It also gives SAS access to Continental's new terminal at Newark. A similar arrangement is envisaged for Eastern's terminal at John F. Kennedy International Airport in New York, after renovations.

The SAS chief executive, Jan Carlzon, has said he wants to make the company one of Europe's top five airlines. But the Scandinavian home market of 17 million people is considered too small for him to succeed with it alone.

Industry analysts said the agreement was broadly favorable for SAS, though some questioned whether Texas Air was the ideal partner.

"It is important for SAS to get agreements with other airlines," said John Strandberg, an analyst with the Stockholm brokers Hagglöf & Ponsbo. "Whether Texas is the best one is more questionable, although there are clear ad-

## Currency Rates

**Cross Rates**

Currency	Oct 4	Oct 5
Australian	1.2810	1.2810
Brussels (€)	1.3663	1.3663
Frankfurt	1.859	1.859
London (£)	1.6943	1.6943
Madrid	1.6628	1.6628
New York (¢)	1.0948	1.0948
Paris	6.549	6.549
Tokyo	124.45	124.45
Zurich	1.571	1.571
1 ECU	1.118	1.118
1 SDR	1.985	1.985

Changes in London, Tokyo and Zurich. Rates in other centers, New York closing rates.  
 a: Commercial franc; b: To buy one pound; c: To buy one dollar; \*\* Units of 100; N.A.: not available; N.A.: not available.

**Other Dollar Values**

Currency	Per \$	Per \$
Armenia	12.00	12.00
Austria	1.3663	1.3663
Belgium	1.3663	1.3663
Canada	1.3663	1.3663
Denmark	1.3663	1.3663
France	1.3663	1.3663
Germany	1.3663	1.3663
Italy	1.3663	1.3663
Japan	1.3663	1.3663
Spain	1.3663	1.3663
Sweden	1.3663	1.3663
Switzerland	1.3663	1.3663
U.K.	1.3663	1.3663
U.S.	1.3663	1.3663

New York rates unless marked (local rate).

**Forward Rates**

Currency	30-day	60-day	90-day
French franc	1.4972	1.4972	1.4972
German mark	1.3663	1.3663	1.3663
Japanese yen	124.45	124.45	124.45
Swiss franc	1.571	1.571	1.571

Sources: Reuters; Bank of Tokyo (Tokyo); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Texas (Dallas); IMF (SDR); BAH (Bahrain, Riyadh, Dhahran); Gosbank (Moscow); Other data from Reuters and AP.

## Interest Rates

**Eurocurrency Deposits**

Term	Rate	Rate
1 month	8 1/8%	8 1/8%
3 months	8 1/4%	8 1/4%
6 months	8 1/4%	8 1/4%
1 year	8 1/4%	8 1/4%

Sources: Morgan Guaranty (Dallas, DM, SF, Portland, FF, NY); Lloyds Bank (ECU); Reuters (SDR).  
 Rates available to interbank deposits of \$1 million minimum (for each bank).

**Key Money Rates**

Instrument	Rate
3-month T-bill	7 1/2%
6-month T-bill	7 1/2%
1-year T-bill	7 1/2%
3-month Treasury note	7 1/2%
6-month Treasury note	7 1/2%
1-year Treasury note	7 1/2%

**Asian Dollar Deposits**

Term	Rate
1 month	8 1/8%
3 months	8 1/4%
6 months	8 1/4%
1 year	8 1/4%

Sources: Reuters.

**U.S. Money Market Funds**

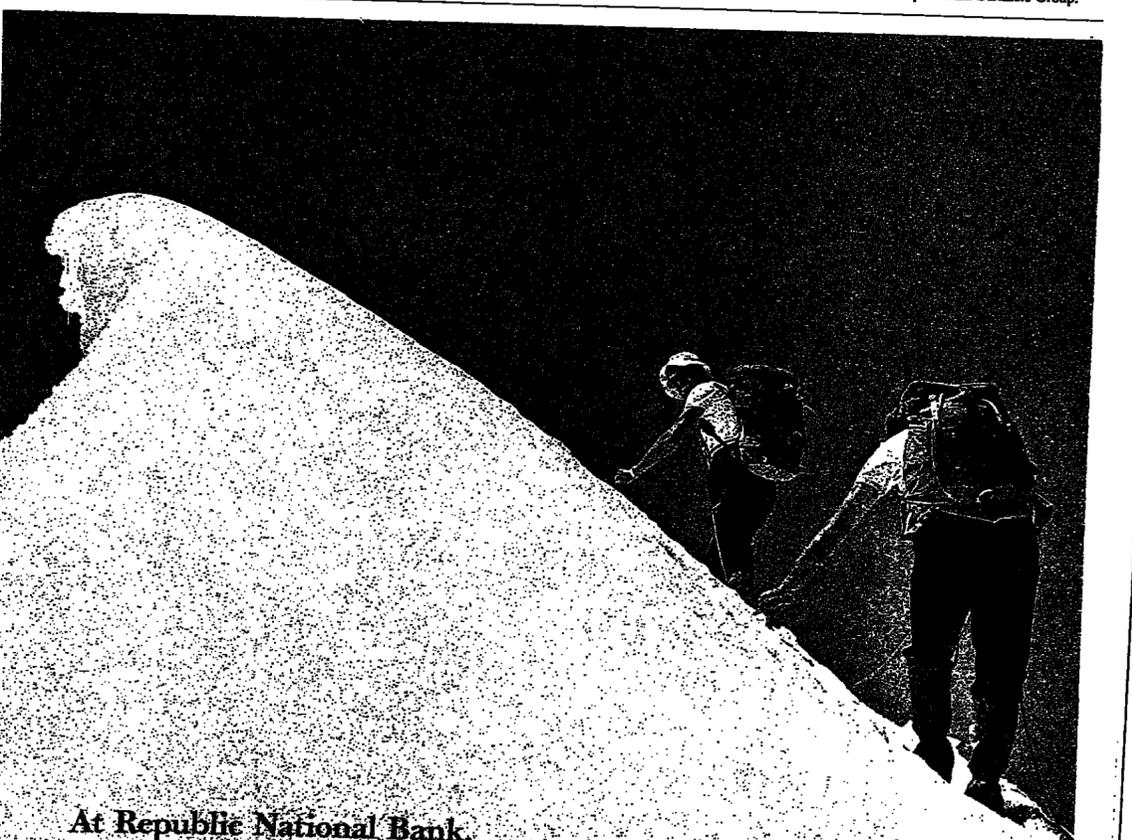
Fund	Yield
Merrill Lynch Bond Fund	7.71
30-day Treasury bill	7.21
Treasury Inflation Protected Index	8.84

Sources: Merrill Lynch, TeleRate.

**Gold**

Market	Price
London	372.25
New York	372.25
Paris	372.25
Zurich	372.25
London (12.5 Mio)	372.25
New York	372.25

Luxembourg, Paris and London official futures. High Noon and Zurich opening and closing prices. New York spot market close. All prices in U.S. \$ per ounce.  
 Sources: Reuters.



**At Republic National Bank, private banking is a matter of getting there safely.**

The greater your financial success, the more serious the implications of downside risk. Yet the rewards won't go away. Opportunities will always exist. In private banking, Republic National Bank remains committed to protecting customers' assets.

That means staying cautious, even when your financial objectives are within reach. Because when safety is ensured, so is your reward. Republic National Bank of New York. A matter of trust.

**REPUBLIC NATIONAL BANK OF NEW YORK (SUISSE) SA**

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 HONG KONG - SINGAPORE - TOKYO - NASSAU - CAYMAN ISLANDS - BUENOS AIRES - SANTIAGO - MONTEVIDEO - CARACAS - MEXICO CITY - PUNTA DEL ESTE - RIO DE JANEIRO - SAO PAULO

Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

High Low Stock Div. Yld. PE 52-Week High Low

(Continued)

Table of NYSE stock prices including columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low. Includes various stock symbols and their corresponding prices.

Table of NYSE stock prices (continued) with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

Table of NYSE stock prices (continued) with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

Table of NYSE stock prices (continued) with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

Table of international stock prices with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

Table of international stock prices (continued) with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

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Table of international stock prices (continued) with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

KKR Raises Offer for Kroger

NEW YORK — Kohlberg, Kravis, Roberts & Co. said Tuesday it raised its offer in the battle for Kroger Co. to \$64 a share in cash and securities.

The sweetened bid, which values the giant supermarket chain at about \$5.03 billion, follows the announcement by Kroger last week that it would undertake a \$4.6 billion restructuring program to fend off unwanted suitors.

Kroger said Tuesday it was reviewing the increased acquisition bid. Analysts have said that Kroger is attractive to bidders because its parts are worth more than the whole.

Kroger said Tuesday it was reviewing the increased acquisition bid. Analysts have said that Kroger is attractive to bidders because its parts are worth more than the whole.

AMEX High-Lows

Table of AMEX stock prices with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

Table of AMEX stock prices (continued) with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

NYSE High-Lows

Table of NYSE stock prices with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

Table of NYSE stock prices (continued) with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

AMEX High-Lows

Table of AMEX stock prices with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

Table of AMEX stock prices (continued) with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

Markets Wary On Inco Payout

TORONTO — Markets reacted cautiously on Tuesday to Inco Ltd.'s recapitalization plan, an anti-takeover measure that would pay a total of \$1 billion in a special dividend to shareholders of the Western world's largest nickel miner.

Amstrad Buys Stake In Micron Technology

LONDON — Amstrad PLC, the computer and electronics group, said it is acquiring 9 percent of Micron Technology Inc., a U.S. maker and distributor of semiconductor and memory components, for \$45 million (\$76.3 million).

London Metals

Table of London Metals prices with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

Paris Commodities

Table of Paris Commodities prices with columns for High, Low, Stock, Div., Yld., PE, 52-Week High, and 52-Week Low.

Large advertisement for Virgin Pure Stock and other financial products, including logos for BP, Britain, and JAPAN.

Dividends

Table of Dividends with columns for Company, Dividend, and Date.

Spot Commodities

Table of Spot Commodities prices with columns for Commodity, Price, and Date.

US Treasuries

Table of US Treasuries prices with columns for Maturity, Price, and Date.

Sun Co. Shareholders Approve Spin-Off Plan

PHILADELPHIA — Stockholders of the Sun Co. overwhelmingly approved on Tuesday a major restructuring proposal that spins off the company's \$4.2 billion domestic gas exploration and production into a separate operation and cuts 1,300 jobs.

DM Futures Options

Table of DM Futures Options prices with columns for Contract, Price, and Date.

WORLD MARKETS IN REVIEW

IN THE HOT SPOT. A WEEKLY REVIEW OF WORLD STOCK MARKETS. ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS — WORLDWIDE.

BUSINESS ROUNDUP

Virgin Group Plans Stock Buy-Back

Poor Stock Performance Hinders Plan for Acquisitions

LONDON — Virgin Group PLC, the rock music and communications conglomerate, said Tuesday its management will buy back 37 percent of Virgin's shares at 140 pence (\$2.38) a share, the price at which the shares were floated less than two years ago.



Richard Branson, chairman of Virgin Group, holding a model of a jet earlier this year when his airline, Virgin Atlantic, was granted authority to fly from London to Los Angeles and to New York.

Paris-Based Saudi Bank Aided by French Plan

PARIS — Al Saudi Banque SA, a troubled Paris-based bank that has Middle East connections, is to continue operations following a rescue operation that the French central bank said Tuesday it coordinated.

Gulf Airlines And Marriott Form Caterer

BAHRAIN — Three Gulf airlines have signed an agreement with Marriott Corp., the U.S. food and hotels group, to buy 50 percent of its catering service at Heathrow Airport, London, it was disclosed Tuesday.

Mecca Raises Stakes in Bid for Pleasurama

LONDON — Mecca Leisure Group PLC said Tuesday it had made a higher and final offer for the casino owner Pleasurama PLC in a bid that Mecca valued at £745 million (\$1.3 billion).

Knightridder Sets TV Sale

NEW YORK Times Service — The Miami-based media company is likely to receive \$350 million to \$400 million for the eight stations, John Morton, a communications industry analyst with the Washington-based Lynch Jones & Ryan said.

Champagne Firm Accepts Rémy Martin Bid

PARIS — Piper-Heidsieck, one of the last of the family-owned French champagne producers, has agreed to a takeover offer from the French cognac house Rémy Martin to protect it from a hostile British bid.

SAS: Texas Air Pact

(Continued from first finance page) Mr. Carlson, who will take a place on the Texas Air board, said in a statement, "Our strategy is to seek quality partners with whom we can establish local hub-and-spoke systems in different parts of the world."

BP: Britain Orders Kuwait to Cut Oil Company Stake

(Continued from page 1) The London-based investment arm of the Kuwaiti government that manages one of the world's most extensive portfolios, reacted angrily to the decision. The office's holdings in Britain are estimated to total about \$16 billion, and include a 5.1 percent stake in Midland Bank PLC, Britain's fourth-largest credit institution.

Carlyle Hotel advertisement with address: Madison Avenue at 76th Street, New York 10021.

BP: Britain Orders Kuwait to Cut Oil Company Stake

"It's astonishing," exclaimed Humphrey Harrison, director of energy research at Kitcat & Aitken, a London stockbrokerage. "It's an entirely unexplained for positive response by the government. The reasons given are insulting. The government doesn't seem to realize how it has offended not just the Kuwaitis, but the British sense of fair play."

COMMERZBANK (SWITZERLAND) LTD

Commerzbank (Switzerland) Ltd - your resourceful partner in Zurich and Geneva for expertise in all areas of private banking. Our broad range of services includes:

AI International Limited advertisement: What is available in all of these? EUROPE, MIDDLE EAST & NORTH AFRICA, THE AMERICAS, AFRICA, ASIA, AUSTRALIA & PACIFIC.

ESORTS & GUIDES advertisement listing various services like Mercedes VIP Escort Agency, Regency U.K., etc.

INTERNATIONAL CLASSIFIED advertisement with sub-sections for Escorts & Guides, Regency U.K., etc.

ESORTS & GUIDES advertisement listing various services like London Lovely Model, etc.

COMMERZBANK (SWITZERLAND) LTD advertisement detailing services like Portfolio management, Investment counselling, etc.

JAPAN advertisement with text: JAPAN, U.S. Investment, etc.



Floating-Rate Notes

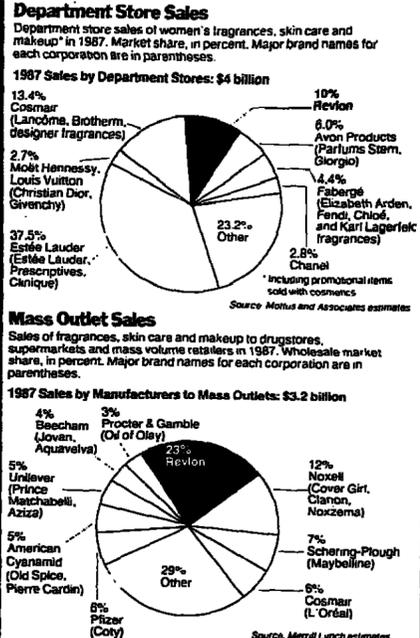
Table of floating rate notes with columns for currency (Dollars, Pounds Sterling, Deutsche Marks, Japanese Yen), issuer name, coupon rate, bid price, and ask price.

Table of floating rate notes for various currencies including Dollars, Pounds Sterling, Deutsche Marks, and Japanese Yen, listing issuer names and financial details.

REVLON: Perelman Swings Focus Back From Health Care to Beauty

(Continued from first finance page) toward the health care business. Its reappearance was no mere coincidence. The memory of Revlon's glory days, and especially of Mr. Revlon himself, is now invoked by everyone from the highest-ranking executive to the saleswoman at the cosmetics counter.

Revlon on Two Fronts



For 30 years," said Allan Kurtzman, president of Max Factor, "and this has been the most successful product introduction I've ever seen." And now Revlon is attempting to lighten the load of women's ever-bulging tote bags with its Micro-chip blushes and eyeshadow compacts, which are only slightly thicker than credit cards.

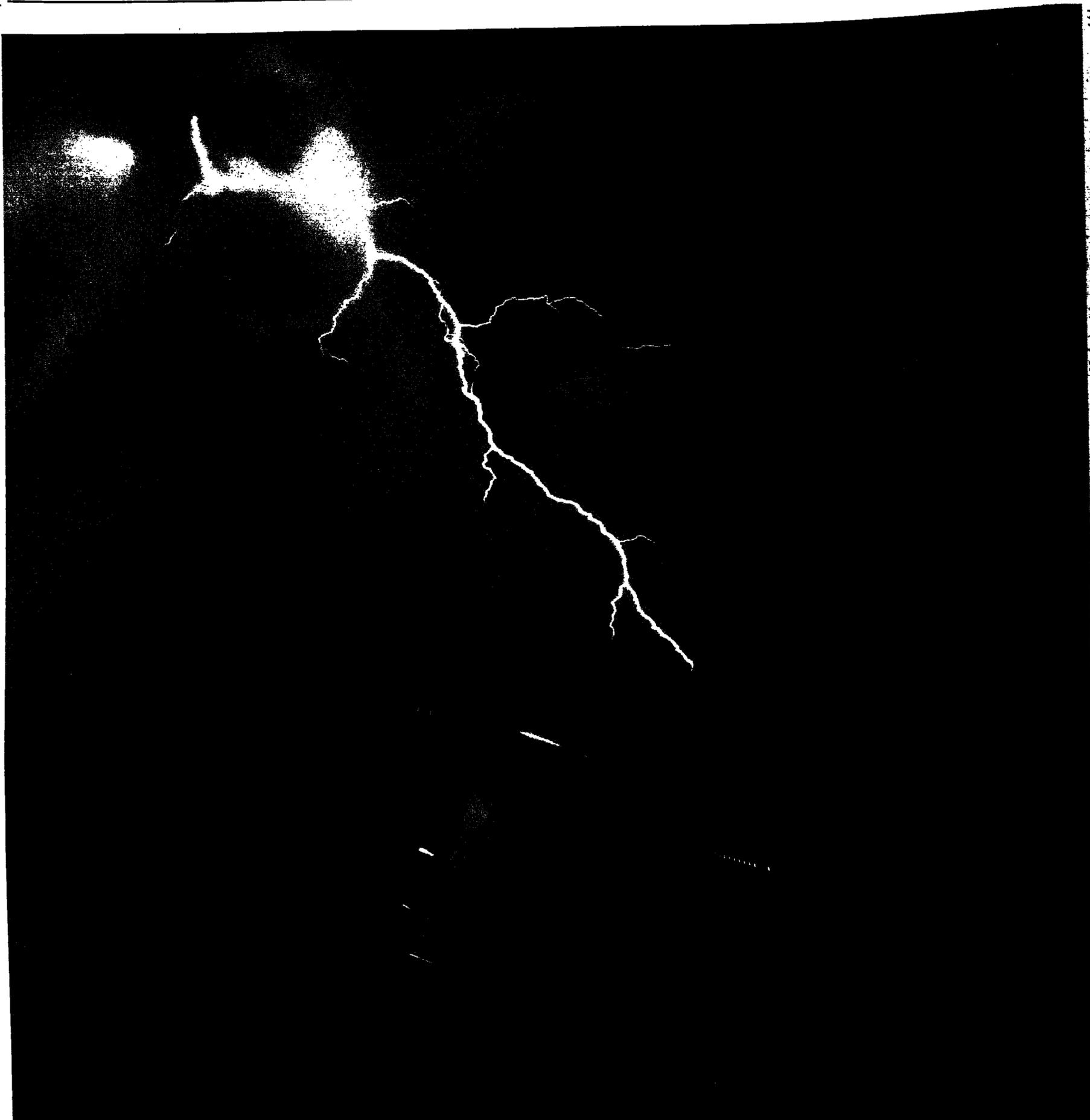
INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Oct 4th, 1988

Large table listing international funds with columns for fund name, currency, and various performance metrics.

market share of cosmetics sales in drugstores, supermarkets and mass market outlets. The advertising is consistent," said Mr. Mottus, the cosmetics industry consultant. "It used to change all the time. They have the launching pad for success."



All you need to do business in Europe. In today's Europe, co-ordination of business activities is important. In tomorrow's Europe, it will be essential.



# WE CAME THROUGH WITH FLYING COLORS.

'KLM announces the departure of KL880 to Amsterdam.'

A khamsin wind off the desert has pushed the temperature in Dubai up to 116°F. Although past midnight, the skin of the aircraft is too hot to touch.

We take off and climb smoothly to 40,000 ft. The sea of air outside is rushing past at -84°F, colder than the South Pole.

KL880's tough polyurethane paint must cope simultaneously with these extremes.

Dawn breaks over a fleecy layer

of cloud 30,000 feet below. But the stratospheric sky is clear.

As the sun lifts behind us, vast amounts of ultra-violet radiation bathe the aircraft.

Under this onslaught, human skin would perish.

KL880's painted skin neither discolors nor fades, neither cracks, flakes nor peels.

This is because one of its layers is 'Aerodur Clearcoat' that contains powerful ultra-violet filters.

Over the Alps, we fly into a

thunderstorm. Twice, although the passengers don't realize it, lightning flashes near the aircraft.

KL880's paintwork is not even blistered.

Nor does the rain loosen the paint.

But why should water succeed where snow, sleet, hail, de-icing fluid, hydraulic fluid and aviation fuel have failed?

KL880's paint was developed by Akzo, one of the world's biggest chemical companies: 70,000 people active worldwide in chemi-

cals, fibers, health care (where our work includes cancer research and AIDS diagnostics) and, of course, coatings.

It's quite likely that your car is equally well protected by an Akzo finish.

And if you're one of those traditionalists who like fountain pens, we may well have made the dyes for your ink.

(We're also, as it happens, the world's leading producer of kidney dialysis devices, industrial yarns and salt.)

At 8:25 am, KL880 lands at Amsterdam, as fresh and glossy as when she left Dubai.

No wonder today so many of the world's passenger aircraft fly our colors.



For further information please contact Akzo New York at (212) 382 5544

### Oil: Warning

Oil prices are expected to rise sharply in the coming months, according to industry analysts. The price of oil has already risen significantly since the beginning of the year, and is expected to continue to rise as demand increases. Analysts predict that the price of oil could reach \$15 per barrel by the end of the year.

### OTC Prices

Table with multiple columns and rows of financial data, including stock prices and market indices. The table is partially obscured by the edge of the page.

CURRENCY MARKETS

Dollar Mixed After Technical Rally

NEW YORK — The dollar closed mixed after active trading Tuesday, inching up against most currencies but falling against the yen and the Canadian dollar.

Dealers attributed the currency's spotty gains to technical factors rather than fundamental strength, noting that operators were reluctant to take positions ahead of the U.S. employment data for September, to be announced Friday.

Traders said the market was inclined to sell dollars, but a drop in the British pound presented the U.S. currency from falling across the board. The British government's decision to order the Kuwait Investment Office to sharply reduce its holding in British Petroleum Co. sparked speculation that Kuwait might unload sterling.

The dollar rose to 1.8648 Deutsche marks at the close from 1.8618 DM on Monday, while it advanced against the pound, which slipped to \$1.6948 from \$1.7018. The dollar also firming to 6.3495 French francs from Monday's 6.3385.

Table with 2 columns: Currency, Rate. Includes Deutsche mark, Pound sterling, Japanese yen, Swiss franc, French franc.

However, the U.S. currency eased to 133.35 yen from 133.65 and to 1.2084 Canadian dollars from 1.2120.

The dollar initially seceded on rumors swirling around Saudi Arabia's status within OPEC. Saudi Arabia has threatened to flood world markets with its crude oil to punish other oil-producing nations that have ignored quotas set by the Organization of Petroleum Exporting Countries.

In London earlier, the dollar closed little changed after slipping earlier in the session and then finding strong support, dealers said.

They said the U.S. currency will trade in lower ranges for the rest of the week, noting that the market is

waiting for direction from the release of the U.S. employment figures. The dollar fell below the support level of 1.8580 DM to touch a low of 1.8565 DM, but soon recovered and drifted back up. It closed at 1.8605 DM, down slightly from Monday's 1.8613.

The dollar slipped to 133.18 yen from 133.65 Monday, and fell to 6.3375 French francs from 6.3380. But the U.S. currency advanced to 1.5790 Swiss francs from 1.5787 francs. It also firming against the British pound, which eased to \$1.6963 from \$1.6985 on Monday.

In the absence of news to move the market, dealers have turned to technical charts for guidance. Most said they believe the dollar could test lower levels again Wednesday.

"People are dealing a lot on charts," said a European dealer. "There are still quite a few sell orders. I think 1.8550 DM will be tested again."

The pound, too, could face a test at \$1.70. (AP, Reuters)

Finnish Bank Suspended As a Broker

HELSINKI — A state-owned bank, Postipankki Oy, has been suspended from acting as a broker on the Helsinki Stock Exchange for two months for violations of the bourse's rules, an exchange spokesman said Tuesday.

The exchange's board of directors also gave Postipankki 30 days to lodge an appeal with the supervisory board, which is a more senior body. The spokesman said Postipankki broke rules by failing to tell the exchange it had acquired more than 10 percent of the wholesale company Leipurinen Tuukki Oy in August.

On Aug. 16, Postipankki owned 32.4 percent of Leipurinen Tuukki. But the bank's holding was reduced to 9.2 percent the following day. On Sept. 13 the bank's stake stood at 4.1 percent, the bank said on Monday.

Roh Predicts Ascent for South Korea With Fewer Exports

SEOUL — President Roh Tae Woo predicted Tuesday that South Korea would enter the ranks of advanced industrialized nations by 1992.

He also announced that the country would reduce its dependence upon exports for growth. In a major budget speech, Mr. Roh told the National Assembly that before his term ends in 1993, South Korea would be transformed into a creditor nation. Only two years ago it had the fourth-largest foreign debt in the world.

The South Korean currency, the won, "will then become an international currency, enabling our citizens to travel around the world with only Korean money in their pockets," he said.

Although he was not specific about target dates, Mr. Roh said that the deregulation of banking, liberalization of foreign-exchange

controls and opening of South Korea's capital markets — all of which are sought by the United States — will be carried out "on a phased basis."

He also said "a better balance between exports — on which we have been depending heavily for growth — and domestic sales" would be achieved. His speech marked the first time a South Korean leader has de-emphasized the need for exports, 40 percent of which have gone to the United States in recent years.

The president said an increase in per-capita income from slightly above \$3,000 last year to \$6,000 in 1992 would cause steady growth of the domestic market. Leading-edge industries will continue to expand, and the government will invest more in infrastructure, "virtually assuming an annual economic growth of around 8 percent."

The president made it clear, however, that he is not mimicking Japan, which has promised to seek its growth entirely through domestic demand. Mr. Roh predicted that South Korea exports would climb to \$90 billion in 1992, "making Korea one of the 10 largest trading nations in the world."

Last year, the nation had \$47.3 billion in exports. The U.S. Embassy in Seoul predicted that total South Korea exports will rise to \$75.5 billion this year.

Sounding a word of caution in a reference to the increasing demands of organized labor, Mr. Roh said South Korea's economic success threatens to create "public expectations and demands (that) are likely to soar to unrealistic heights." He warned that "no one can come up with a magic formula to satisfy the aspirations of all citizens in one fell swoop."

TRADE: Asian Nations Play Greater Role in Balancing Trade Inequities

(Continued from page 1) and the United States simply cannot be solved by our two nations alone," said Hirohiko Okumura, chief economist at Nomura Research Institute. "But if we bring in the NICs as a third party, a vicious circle becomes virtuous."

Reflecting both the high dollar of the early 1980s and the U.S. currency's devaluation against the yen since 1985, the U.S. deficit with the little dragons has mounted faster than that with any other region for most of this decade. At its peak last year, the deficit reached \$37.1 billion — Taiwan accounted for almost half of that.

One consequence of this trend has been the increased prominence of trade between the United States and the four Asian nations since 1980, when U.S. trade across the Pacific exceeded its trade with Europe for the first time.

Trade among the four dragons, Japan and the United States in 1987 stood at more than \$600 billion, or 11.5 percent of total world trade — nearly double its proportion of world trade in 1980.

In this context, the sensitivity of the NICs to changing growth rates

and exchange rates — their "elasticity" in these areas — has taken on greater significance, economists contend.

Assuming similar rates of growth in any given period, for instance, the NICs are likely to show import growth at twice the rate of Japan, according to a new study by the Nomura Research Institute. The study also showed that Japan's imports from the four dragons would grow four times faster than imports from the United States under the same conditions.

Similarly, the Nomura study showed that two-way trade between the United States and Japan was less sensitive to exchange-rate adjustments than trade between the United States and the four other nations.

Why have these distinctions emerged? For one thing, Japan's import barriers — including non-tariff factors such as its distribution system — contrast sharply with liberalization programs launched over the past year in Taiwan and South Korea. Japanese investment in the four other countries is also improving their capacity to penetrate the Japanese market.

Another factor is the development of the four dragons to a stage in which demand for capital goods and high-technology items is likely to remain strong under almost any circumstances. Consumer products from the United States — from photographic film to breakfast cereals — are being snapped up in these new markets, where current growth in personal consumption is as high as 15 percent.

"That is an unusually high number," said Takashi Oyama, a Bank of Japan official who recently published an analysis of triangular interdependence in the Pacific. "The NICs will need more time — perhaps until the end of the century — to become self-sufficient enough to break this pattern."

Mr. Oyama and other economists caution that the four dragons' importance in the trade-adjustment process has been exaggerated to some extent, chiefly by government-directed goods imports of \$4 billion in Taiwan earlier this year and by a surge in imports just after Taipei announced a sweeping liberalization scheme in February.

Indeed, some trade analysts question whether the four nations, some of which still face problems

of income distribution and underdeveloped markets, can sustain the position in the trade triangle that they have staked out in recent months.

"Economic transitions of this sort are important in the long term," said Marc Faber, managing director of Drexel Burnham Lambert (HK) Ltd. "But these are infant economies, in which the bulk of the population still has no purchasing power. What global impact can they have?"

No one is yet able to answer that question with certainty. But high growth in Japan, slow growth in the United States and further currency appreciation among the NICs would make the phenomenon permanent in coming years, economists say.

If the four dragons' currencies appreciate 10 percent the Nomura study says, their combined surplus with the United States would be reduced by a further \$1.5 billion in the year it took place, and more than \$9 billion the following year. The same result could be achieved through a reduction of U.S. growth from its current level of 4 percent to 2 percent, the study projects.

OIL: Warning by Saudi Arabia Sends Prices Lower; Further Falls Possible

(Continued from page 1) warned that "Saudi Arabia had done enough for OPEC."

It said that Saudi Arabia, the world's largest oil exporter, has already reduced its oil production from a high of 10 million barrels a day in 1981 to the present level of half that amount, losing in the process an income that the official statement estimated at \$109 billion.

"It sounds like a declaration of independence from OPEC," commented a senior OPEC official who asked not to be identified. "We are heading for very rough times."

Arab oil industry officials said that the unusually blunt Saudi

statement reflects Saudi Arabia's deep concern that Iraq and Iran, along with other Gulf oil producers, Kuwait and the United Arab Emirates, are moving in the aftermath of the end of the Gulf war between Iraq and Iran, to secure a larger share of the world's market.

Iran and Iraq have already signaled their intent to boost output in order to secure larger oil revenues for the reconstruction of their shattered economies. There is a suspicion in Saudi Arabia that both giant military countries are looking at Saudi Arabia to sacrifice some of its production, which now stands at close to 5 million barrels a day. Iraq recently served notice that it

plans to hang on to its current output of 2.7 million barrels a day, 1 million barrels above its OPEC ceiling. The Saudis hinted that they may increase output to more than 3.5 million barrels a day when they complete work on a pipeline next year.

Kuwait has pushed its output over the past few weeks 600,000 barrels a day above its ceiling of 1 million barrels. And Iran is busily giving oil discounts to drive its production closer to 3 million barrels a day, against an official OPEC quota of 2.3 million barrels a day. The United Arab Emirates has nearly doubled its production over its quota of 940,000 barrels a day.

"Unless oil production in all these countries comes down, we will consider there is no agreement to which we are bound," said a Saudi oil industry official who is familiar with official policy. "Words are no longer enough," added a Saudi industry executive.

"This is the roughest statement I have seen in years," said the businessman of the Cabinet statement. "Our oil revenues has fallen so much we expect a deficit of \$15 billion this year if not more. No one in Saudi Arabia can agree that we keep on cutting production just so that others take it away."

OPEC is scheduled to meet again on Nov. 21 in Vienna.

Tuesday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in the OTC market. It is updated twice a year. Via The Associated Press.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE Ratio, High, Low, AP/OTC. Lists various OTC stocks and their prices.

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Tuesday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE Ratio, High, Low, AP/OTC. Lists various AMEX stocks and their prices.

BOOKS

COLLUSION ACROSS THE JORDAN: King Abdullah, the Zionist Movement, and the Partition of Palestine

By Avi Shlaim. 676 pages. \$40. Columbia University Press, 362 West 113th Street, New York, N.Y. 10025.

Reviewed by Kathleen Christison

IT HAS become a commonplace, when discussing Israel's creation in 1948, to portray a beleaguered but plucky little infant state fighting off marauding armies from five Arab nations, ready but for Palestinian intransigence to live alongside a Palestinian state in accordance with the UN Partition Resolution...

left Palestine, Jordan would move its army into the Arab sector. The partnership had its ups and downs. Abdullah pledged not to invade the Jewish part of Palestine...

Shlaim demonstrates that the impetus behind the other Arab states' military move into Palestine was as much anti-Jordanian as anti-Israeli and that much of the fighting in which Israel engaged was self-initiated...

Shlaim admires Abdullah's willingness to deal with the Israelis, and he believes that Israel's early leaders, because of victory-induced complacency and reluctance to set limits on their horizons, missed a golden opportunity to conclude a formal peace with Abdullah and other Arabs.

As is abundantly clear, they did not solve the Palestinian problem by trying to ignore it or smother it. Shlaim's book shows that, in the complex world of Middle Eastern politics, where states' interests overlap, Israel's kind of insularity and Jordan's attempts to go it alone simply cannot work in the long run.

Kathleen Christison is a former Middle East political analyst with the Central Intelligence Agency.

BRIDGE

By Alan Truscott

dommy. The remaining trumps were led to produce this ending:



Cole was distinctly deflated when he told the story to a friend who had played in the event. "You were unlucky to get a trump lead," he was told. "Now all you can do is ruff one diamond and make 11 tricks."

West had lots of high-card points but no great reason to think he could take four tricks in defense. His final double was therefore at best aggressive. He led a trump, and Cole as South took East's jack with the ace and led the club jack. West put up the ace and led a second trump, allowing the nine to win in dummy.

South would have been in trouble if West had held four diamonds, but as it was, he was able to lead the diamond jack effectively and make four hearts doubled. West had to concede two tricks at the finish to one hand or the other. And it would not have helped West to throw the diamond six, saving a spade, for South would have cashed the diamond ace in the position shown.

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, Oct. 4

Table of stock market data for various countries including Amsterdam, Frankfurt, London, Paris, and Tokyo. Columns include stock names, prices, and changes.

Table of stock market data for various countries including Toronto, Montreal, and Sydney. Columns include stock names, prices, and changes.

Table of stock market data for various countries including Zurich, Sao Paulo, and Milan. Columns include stock names, prices, and changes.

Table of stock market data for various countries including Tokyo, Seoul, and Taipei. Columns include stock names, prices, and changes.

ACROSS

- 1 Highlands girl
5 Item of value
10 Fan, member
13 Chorus member
14 Vanuzetti's 1921 co-defendant
15 Brusque
16 Vodka drink
18 Bradley or Khayyam
19 Amount
20 Certain Greek letters
21 Central or Tumor
22 Swab
23 TV newsmen
24 Uncrown
25 Lustrous fabric
26 Ran when wetted
28 Like Oliver's gruel ration
31 Tatter
32 Make sense
34 Unremarkable
36 Bankers
38 Stein flower
39 Revolving tray
43 W. German city
47 Fruit drink
48 Leaked stowly
50 Cast predecessor
51 Ride
53 Nanny's baby carriage
58 Crane pool was one
58 A Fitzgerald
57 A First Lady's monogram
59 Kind of column
30 "Bravo," Wayne film
33 Wild West band
62 Apple dessert
63 Poker-pot builder
66 Cat-family member
67 Forefather
68 Misérables
69 Down at the heels
70 Specialty of 56 Across
DOWN
1 Cune's milieu
2 Everything courted
3 Bent over
4 Lampblack
5 Sanctuary
6 Houson or Stead
7 Sheridan's 'The School for
8 Beige
9 Playthings
10 Indonesian island
11 Teheran native
12 Odd
15 Soft drink
17 Oahe, e.g.
22 Yuppie's deg.?
24 Uncrown
25 Import
27 Property
29 TV's Rockford
30 "Bravo," Wayne film
33 Wild West band
35 Cup
37 Fast Eddie's stock
38 Football pass
40 Sweet girl of songdom
41 Fanatics
42 Raftly
44 Middle East language group
45 Sester of Orestes
46 Snood
49 Fine; tender
52 Surflet
54 Gang
57 Rudiments
58 Buffalo's lake
60 'The Untouchables' hero
63 United
64 Hitherto

Crossword puzzle grid with clues for Across and Down.

WEATHER

Table of weather forecasts for Europe, Asia, North America, Africa, Latin America, and Oceania.

DENNIS THE MENACE



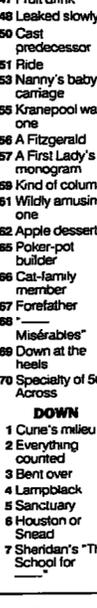
JUMBLE

Jumble word puzzle with a cartoon illustration and a list of words to be unscrambled.

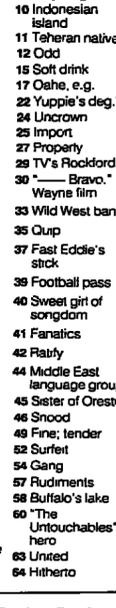
INTERNATIONAL MANAGER

International Manager puzzle featuring a cartoon of a man and a list of words to be unscrambled.

PEANUTS



BLONDIE



BEEBLE BAILEY



DOONESBURY



ANDY CAPP



WIZARD OF ID



DR. MORGAN



GARFIELD



SOLUTION TO PREVIOUS PUZZLE

Grid showing the solution to the crossword puzzle from the previous page.

Handwritten signature or name at the bottom of the page.

SPORTS

Crippled Dodgers Brace for Mets; A's Favored Over Red Sox, but . . .

By Joseph Durso
New York Times Service
LOS ANGELES — The New York Mets streaked into town Monday after winning 29 of their last 36 games and were installed as solid favorites over the crippled Los Angeles Dodgers to win their second National League pennant in three years.

called streak probably won't be over, anyway. The league office tells me that the streak is intact until next season, whatever happens in the playoff or World Series.

ing from the mound [Monday] and felt slight pain."
Tom Leary, a 17-game winner who was supposed to pitch Game 3, still seems flat and tired and perhaps won't start until Saturday's Game 4.



Orel Hershiser: "Game 1 is Game 1 — a lot will be read into it."

They conceded, however, that the first hurdle in the playoff would be the tallest. On Tuesday night they were to face Orel Hershiser, who ended the season with a record-breaking 59 scoreless innings. Hershiser hasn't given up a run since he gave up two in the fifth inning of a game Aug. 30 against the Expos in Montreal.

But the Mets said that while they respected him as a gifted pitcher, they did not fear him. "Orel Hershiser isn't my problem," said Dwight Gooden, who was to pitch the opener for the Mets. "The Dodgers hitters are the guys I've got to beat. So I can't really dwell on what Hershiser has done. He's done a great job. It's awesome — six shutouts in a row. But he won't beat me by himself."

By contrast, the Mets approached the playoffs robust in form and spirit. Half a dozen players were nursing head colds, and Keith Hernandez was still treading lightly on his hamstring muscle, which was torn four months ago. But otherwise, they were sound.

Banks Catch Met Fever

NEW YORK — As the National League playoffs approached, Met fever spread to the financial industry.
On Monday the Manufacturers Hanover Corp. announced a New York Mets-linked MasterCard. Besides getting a credit card that sports the Met logo, cardholders will be eligible for sweepstakes prizes that include a trip to the team's spring training camp and the use of a Shea Stadium box.

SCOREBOARD

FOOTBALL

NFL Standings table showing American and National Conference standings with columns for team, W, L, T, Pct., PF, PA.

BASEBALL

Playoff Comparisons table showing National League and American League playoff matchups with columns for team, G, W, L, R, H, ER.

TRANSITION

BALTIMORE—Purchased Terry Crowley, backup catcher, from the Los Angeles Dodgers.
CHICAGO—Purchased the contracts of Ron Karkovics, catcher, and Jose Sosa, and Ed Walsh, pitcher.

Saints Beat Cowboys on Kick at Gun

NEW ORLEANS — Morten Andersen's 49-yard field goal as time expired Monday night gave the New Orleans Saints a 20-17 National Football League victory over Dallas and exorcised a pair of gridiron demons that have haunted the Saints for years.

Soviets: Enduring Form of Grand Masters

SEOUL — It has taken Soviet soccer players a long time, but finally they are grand masters of pacing a major tournament.



Alexei Mikhailichenko: Strength, energy — tireless in shuttling among defense, midfield and attack.

College Top-20 Ratings

Table listing college basketball teams and their ratings, including columns for team name, record, and rating.

National Basketball Association

LOS ANGELES—Purchased the contracts of George Hitchcock, outfielder, John Gibson, catcher, and Ray Seaman, pitcher, from Atlanta Braves of the Pacific Coast League.

International Hockey League

BOSTON—Signed Andy Blaylock, center, from New Jersey in the waiver draft.
BUFFALO—Acquired Wayne Van Dorn, left wing, from Pittsburgh for future consideration.

Major League Soccer

NEW YORK—Signed Rich Oremann and Theodor Floury, who play for the Los Angeles Galaxy, from the Los Angeles Galaxy.

Baseball Transactions

CHICAGO—Purchased the contracts of Ron Karkovics, catcher, and Jose Sosa, and Ed Walsh, pitcher.

Soccer: A Link Between Summer in Munich and Autumn in Seoul is Alexei Mikhailichenko

There is a pleasing evolution among the Soviets that releases inhibitions and produces winners. We saw it albeit without match-to-match consistency, at the 1986 World Cup. We saw it in the European championship in June, where the Soviet Union lost the final, as any team would, to the Netherlands.

POSTCARD

A School for Arezzo

By Burton Anderson
Special to the Herald Tribune
AREZZO, Italy — As John Padgett, headmaster of the Amity School here, sees it: "Every child has his own Renaissance. It's the environment he grows up in that shapes the whole human being."

formed a partnership and took a lease on the Occidini Villa La Striscia. That now houses the staff school, 20 students and 18 staff, though they have an option on a mansion nearby in case of expansion. In the spring of 1987 the faculty began the move from California, followed by a number of Cascade School students.

Martha Graham: Phoenix of Dance

By Nan Robertson
New York Times Service

NEW YORK — Martha Graham sits in a stony mirrored studio in Manhattan, immaculately made up, her skin-tight black chiffon bow that flies off over her pointed ears and somehow looks like Cleopatra's coiffure. She wears Mary Janes on her famous feet and chunks of turquoise around her neck. Only the hunch of her back and arthritic knobs on the hands she sheathes in gloves betray her age. She is 94.



Martha Graham says about dance.

"It's important that people feel, that they feel alive," Martha Graham says about dance. Turner will make her debut in a dance work as "She Who Speaks" in the Dickinson piece, and Maya Plisetskaya will perform Michel Fokine's "Dying Swan," a role the great Russian ballerina had not danced in 18 years in New York.

"And then one day," Graham says, "she made on the canvas a dot. Because she could make that dot on the space, she knew that she would paint again." The corollary to the choreographer's own anguish in her 70s is unspoken. She was asked about her decision late in life to re-stage and re-present that necklace of dances that forms a link to her earliest years. She had previously said, "I don't believe in nostalgia."

"If she doesn't, why the revivals? You're quite right — I don't go in for nostalgia," she says. "But people were quite curious about older things they had not seen. And I... I wanted to see what is now, coming out of what was then. I'm not interested in the future — going on — the excitement of what now is. If it's good, it will stay for quite a while. On the other hand, there comes a time when a work has to be retired."

standing. It's important that people feel, that they feel alive." She recalled a night in Florence 20 or more years ago. "I was performing 'Dark Meadow,' standing on a Noguchi rock" — the great sculptor Isamu Noguchi has designed many sets for her — "and the audience got out of hand, booing and caucalling. I had my arm this way" — she demonstrates, face forward, holding her right arm straight across her chest — "and suddenly I turned my face away and instinctively flung up my arm."

PEOPLE

Galbraith and Greene Honored by Moscow U.

Moscow State University, the alma mater of the Soviet Union's leader, Mikhail S. Gorbachev, has awarded honorary doctorates to the American economist John Kenneth Galbraith and to the British writer Graham Greene. Galbraith was honored for his services in the development of sciences and the humanities, the Tass agency said. Greene's doctorate is a sign of his outstanding services in the field of literature and in the strengthening of friendly contacts with the Soviet Union, Tass said.

In World War II the Library of Congress awarded a poetry prize to Ezra Pound, whose Fascist sympathies were well known, and Congress reacted by barring the library from giving out any prizes. But in honor of the United States' newest poet laureate, Howard Nemerov, library officials said that Congress had removed the injunction and that literary prizes were in the works.

Sam Giancana, the organized crime boss, was frying sausages and peppers when he was shot to death in 1975. Now his daughter, Annunette Giancana, 53, who described the bedroom activities of mobsters in her 1984 book "Mafia Princess," says she plans to publish the "Mafia Cookbook." It will feature the recipes of 35 of Chicago's gangsters.

A statue of Mahatma K. Gandhi, the proponent of nonviolence who led India to independence, has been dedicated in San Francisco. The Gandhi Memorial International Foundation donated the sculpture and gave humanitarian awards to: Joan Baez, the singer; Shirley Temple Black, the actress; and Warner E. Howard of the Hunger Project; David Packard, an industrialist; Richard Swig, the brewer; and Dalrymple R. Patel, a benefactor of the Indian community in San Francisco, and Maheshwari Dhanu of Poona, India, a follower of Gandhi since 1945.

Lawrence M. Crutcher, 46, the president of Book-of-the-Month Club and a vice president of its corporate parent, Time Inc., in New York, will become chairman of the club at the end of the year. He will succeed Al Silverman, 62.

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